

2008 COUNTY OF BEAVER, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

*FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2008*

Beaver County



Office of Controller

PREPARED BY DAVID A. ROSSI, CONTROLLER

www.beavercountypa.gov

**County of Beaver, Pennsylvania
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2008**

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DAVID A. ROSSI
CONTROLLER



WILLIAM CALHOON
CHIEF DEPUTY CONTROLLER
ALBERT A. TORRENCE
SOLICITOR

BEAVER COUNTY COURTHOUSE
THIRD STREET - BEAVER, PENNSYLVANIA 15009-2196
TELEPHONE: Area Code 724-728-5700

June 24, 2009

TO THE CITIZENS OF BEAVER COUNTY

I am pleased to present the Comprehensive Annual Financial Report ("CAFR") for Beaver County ("the County") for the 2008 fiscal year.

The CAFR consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles ("GAAP"). Since the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by The Binkley Kanavy Group, LLC, a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2008, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2008, are fairly presented in conformity with GAAP.

The independent audit of the financial statements of the County is part of a broader federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. These reports will be available in the County's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis ("MD&A"). This letter of transmittal is to complement the MD&A and it should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF BEAVER COUNTY

The County was formulated on March 12, 1800, from parts of Washington and Allegheny Counties. It is 435 square miles and chartered as a fourth class county under the County Code as passed by the General Assembly of the Commonwealth of Pennsylvania. The current population of the County is approximately 175,000. Beaver County is comprised of thirty boroughs, five first class townships, seventeen second class townships, and two third class cities. Rich in resources, its location along the Ohio and Beaver Rivers gave Beaver County the ability to develop economically as one of the major industrial sites worldwide with steel being its major product. Beaver County rapidly developed as one of the major headquarters for manufacturing in the United States. After the decline of the steel industry in the early 1980's, the County redirected its efforts to develop its riverfronts for recreational, as well as manufacturing uses. Its close proximity to the Greater Pittsburgh International Airport enables the County to market itself as a center for manufacturing and service industries. Beaver County also has educational opportunities for residents with the Community College of Beaver County, Geneva College, and Penn State University Beaver Campus. The County also has a medical facility available to its residents with The Medical Center, Beaver.

Beaver County's government structure consists of a three-member Board of Commissioners that performs all legislative and executive functions. The Treasurer is elected to collect taxes and invest County funds. The Court of Common Pleas is the judicial arm of county government. There are seven judges that preside over the Court of Common Pleas. Other court related Row Officers are the District Attorney, Clerk of Courts, Coroner, Prothonotary, Sheriff, Register of Wills, Clerk of the Orphans Court, Recorder of Deeds, and Jury Commissioner.

All elected officials serve four-year terms with the exception of the Judges who are elected to ten-year terms and are subject to a retention vote after their ten-year term expires.

PROFILE OF BEAVER COUNTY – (Continued)

The County provides a full range of services to its citizens, ranging from health care to law enforcement and from the construction and maintenance of infrastructure to recreational activities and cultural events. The County also provides funding and aid to the Beaver County Transit Authority and the Community College of Beaver County, legally separate entities which have been included as an integral part of the County's financial statements. Additional information on these entities can be found in Note A of the financial statements.

Under the provisions of the Fourth Class County Code, the Controller is responsible for prescribing the method of financial reporting, auditing, and for payment of the County bills. The Controller is the supervisor of the budget and is a member of the Prison Board, Salary Board and Retirement Board. As supervisor of the County Budget, the Controller is responsible for monitoring the departmental line items on a daily basis as well as preparing a preliminary budget for the Board of Commissioners' approval. The budget process begins in late summer with each department receiving a budget request form to formally request operating allocations for the next fiscal year. Each department is required to submit the completed budget forms in order for the Controller to prepare a preliminary budget for presentation. The Board of Commissioners reviews this preliminary budget with each department manager in open meetings that may be attended by the public. Once a final budget is prepared, it is publicly displayed for twenty days prior to final adoption by the Board of Commissioners. The date for final action on the budget adoption must be made a matter of public notice for at least ten days prior to Commissioners' approval at a public meeting.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the County operates.

LOCAL ECONOMY

Through the efforts of the Corporation of Economic Development ("CED"), which is partially funded by the County, projects have been completed that enhance the Beaver County economy. Efforts have been made to encourage diversified job creation and private investment. A summary of these activities and involved companies include those which are listed below.

LOCAL ECONOMY – (Continued)

PTC Alliance

In February 2006, PTC Alliance, a Wexford based manufacturer of welded and cold drawn mechanical steel tubing, purchased the assets of PA Cold Drawn in West Mayfield. This began a series of substantial investments designed to bring large diameter Drawn Over Mandrel ("DOM") and seamless tube production capabilities to the firm allowing competition in markets not previously served. In addition to their plant in Darlington Township, Beaver County, PTC Alliance operates ten other strategically located factories in the northeast and upper mid-western United States and one facility in Germany, employing over 800 people worldwide.

Groundbreaking on a new \$5 million manufacturing facility began in late winter 2007, representing the County's largest manufacturing plant construction project since 1999. Additionally, PTC Alliance plans to invest another \$4 million in new equipment for the expanded operations. Situated on an 8-acre site adjacent to PTC Alliance's existing West Mayfield facility, the new plant measures 200 feet by 500 feet, consisting of a 70,000 square foot shop and 30,000 square foot overhead crane-served shipping/receiving area.

CED assisted the company by helping secure \$250,000 in Enterprise Zone Tax Credits. In addition to retaining the 70 jobs from former PA Cold Drawn operations, the company plans to double on-site employment to 140 as a result of the project.

Pennsylvania Biodiesel Inc.

Pennsylvania Biodiesel Inc. is a start-up company that has constructed and will soon operate a biodiesel manufacturing plant and concrete additive blending facility.

The company plans an annual production capacity of 35 million gallons and will supply biodiesel fuel to tractor-trailer fleet operators. It will also sell concrete additives, a by-product of biodiesel production, to the cement industry.

Pennsylvania DCED offered the company a financial package totaling \$448,000, including a \$325,000 Infrastructure Development Program loan, \$25,000 through the Opportunity Grant Program, an \$18,000 job training grant and \$80,000 in job creation tax credits. This investment of over \$8.5 million is expected to create 40 new jobs.

LOCAL ECONOMY – (Continued)

Northern Ambridge Redevelopment Project

The Northern Ambridge Redevelopment Project ("NARP") area once consisted of several steel manufacturing facilities that are now vacant or underutilized. The site is a classic "brownfield," situated in the central core of Ambridge, having a negative impact on the commercial, historical and residential uses that border the area. The site offers easy access to the Greater Pittsburgh International Airport, interstate highways, malls, and health facilities, among other amenities. The project includes improvement to existing buildings and property, demolition of vacant and dilapidated structures, property remediation, construction of infrastructure and buildings for commercial, residential, industrial and governmental users. NARP has created a five phase plan for redevelopment.

Phase 1 is now complete. Vehicles can now enter and exit without maneuvering through residential and commercial districts of Ambridge. Approximately 82 percent of the 250,000 square feet of New Economy Business Park, L.P. ("NEBP") is now occupied and discussions with additional tenants are underway. Major tenants Centria and Spinello have entered into long-term leases with NEBP. Employment at Centria has increased from 80 to 120, and from 12 to 20 at Spinello.

For Phase 2, the Beaver County Board of Commissioners approved the construction of a new \$15 million Beaver County Emergency Management Center, which will serve about 50 employees. Groundbreaking on this project began in December 2008. Construction is expected to be complete in October 2009, with full operation of the building to begin in December 2009.

LONG-TERM FINANCIAL PLANNING

In developing future economic strategies and potential prospects, we must make use of the natural resources that are available in Beaver County. One of the most prominent natural resources that Beaver County enjoys is its rivers. The County encourages and assists financially in the development of its riverfront for recreational, commercial, and residential use. The County also provides assistance through planning, tax incentives, marketing, and promotional activities.

The CED encourages Beaver County communities to develop their areas along the Beaver and Ohio Rivers. The establishment of the Riverfront Development Program is entrusted with that mission. The river communities involved in the program are Fallston, New Brighton, Bridgewater, Rochester Borough, Rochester Township, Beaver, Freedom, and Monaca. The communities have formed an advisory committee which selects and prioritizes the projects to be developed by the program.

LONG-TERM FINANCIAL PLANNING -- (Continued)

In an effort to provide proactive, coordinated, and comprehensive assistance to existing local industry, CED established the Beaver County Industrial Support Network ("BCISN") as part of the Commonwealth's Team Pennsylvania program. The BCISN is an organized effort of eighteen (18) public and private groups involved in economic development. The group will provide annual on-site interviews with chief decision makers of local industry to develop a better understanding of Beaver County's industrial base and to attempt to address the needs of local industry.

Combining efforts to accomplish a goal is essential in developing quality economic strategies that are common to more than one county organization. The CED and Beaver County Industrial Development Authority ("IDA") are in their eleventh year of a joint management services agreement.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to Beaver County for its comprehensive annual financial report for the fiscal year ended December 31, 2007. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

CONTROLLER'S CLOSING REMARKS

The information that is presented in this report reflects the unified efforts of officials and administrators to provide the best possible services to the residents of Beaver County. By exercising prudent business practices and fiscally responsible decision-making, the County is able to offer many programs and extend financial assistance to those individuals that qualify. The administration and management are to accomplish a professional business environment.

The County continues in its efforts to obtain federal funding and funding available through the Commonwealth of Pennsylvania for mandated programs and services.

ACKNOWLEDGEMENTS

The presentation of this report on a timely basis is the result of a cooperative effort of many individuals. I wish to thank my staff and those individuals that assisted in the preparation of this report. This report and additional County information may be reviewed online by visiting our website at <http://www.beavercountypa.gov>.

Respectfully,

David A. Rossi

David A. Rossi
Beaver County Controller

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Beaver
Pennsylvania

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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ELECTORATE OF BEAVER COUNTY



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**BEAVER COUNTY GOVERNMENT
ELECTED OFFICIALS**

BOARD OF COMMISSIONERS	ANTHONY AMADIO, CHAIRMAN JOSEPH SPANIK CHARLES A. CAMP	
CLERK OF COURTS	JUDY R. ENSLEN	
CONTROLLER	DAVID A. ROSSI	
CORONER	TERI TATALOVICH-ROSSI	
DISTRICT ATTORNEY	ANTHONY J. BEROSH	
PROTHONOTARY	NANCY C. WERME	
RECORDER OF DEEDS	JANICE JESCHKE BEALL	
REGISTER OF WILLS	CAROL R. FIORUCCI	
SHERIFF	GEORGE J. DAVID	
TREASURER	CONNIE T. JAVENS	
JURY COMMISSIONERS	DOROTHY COLELLA PEGGY ROSE	
COURT OF COMMON PLEAS	HON. JOHN D. McBRIDE HON. C. GUS KWIDIS HON. RICHARD MANCINI HON. JOHN P. DOHANICH HON. DEBORAH KUNSELMAN HON. KIM TESLA HON. HARRY KNAFELC	
DISTRICT JUSTICES	VACANT WILLIAM LIVINGSTON JAMES DIBENEDETTO EDWARD C. HOWE TIM FINN DALE NICHOLSON C. DOUGLAS LOUGHNER JOSEPH SCHAFFER JANET SWIHART	36-01-01 36-01-02 36-01-03 36-02-01 36-02-02 36-03-01 36-03-02 36-03-03 36-03-04

DEPARTMENT MANAGERS

ADULT PROBATION	DON NEILL
AIRPORT	BETH LaVALLE
ALLENCREST JUVENILE DETENTION CENTER	ROBERT ROSE
ASSESSMENT / TAX CLAIM	MICHAEL KOHLMAN
CHIEF CLERK	TRACEY PATTON
CHILDCARE RESOURCE MANAGEMENT	CARMACEL FELICE
CHILDREN & YOUTH	DAYNA REVAY
COMMUNITY DEVELOPMENT	LISA SIGNORE
COURT ADMINISTRATOR	RICHARD DeFILLIPPI
DEPARTMENT OF PUBLIC WORKS	JAMES CAMP
DOMESTIC RELATIONS	JOE SIGNORE
ELECTIONS BUREAU	DORENE MANDITY
EMERGENCY SERVICES	WES HILL
EMPLOYEE RELATIONS	RICHARD DARBUT
FINANCIAL ADMINISTRATOR	ROB CYPHERT
FRIENDSHIP RIDGE	BILL JOZEFczyk*
INFORMATION TECHNOLOGY	FRANK SIGNORE
JAIL WARDEN	WILLIAM SCHOUPE
JUVENILE SERVICES	ROBERT ROSE
LAW DEPARTMENT	MYRON SAINOVICH
LAW LIBRARY	BETTY DENGEL
LIBRARY COMMISSION	JODI OLIVER
MENTAL HEALTH / MENTAL RETARDATION	GERARD MIKE
MICROGRAPHICS	CHARLES HILT
OFFICE ON AGING	BEVERLY SULLIVAN
PLANNING COMMISSION	FRANK MANCINI
PUBLIC DEFENDER	PAUL STEFF
PURCHASING/CENTRAL SERVICES	MARY ANNE RUSKIN
RECREATION AND TOURIST PROMOTION	TOM KING
VETERANS AFFAIRS	KATHY NAIRN
VICTIM WITNESS	STEVE JURICH
WASTE MANAGEMENT	CHARLES RAABE
WEIGHTS AND MEASURES	RON ZUCCARO

* Contract with Premier Consulting

ELECTED OFFICIALS

BOARD OF COMMISSIONERS

The Board of Commissioners are the chief executive officers of the County. They are responsible for all legislative and administrative functions of the County.

CLERK OF COURTS

The Clerk of Courts is the chief clerk of the Court of Common Pleas. The Clerk of Courts is responsible for maintaining court records and collecting all court related fines and fees.

CONTROLLER

The Controller is the chief financial officer of the County who is responsible for supervising the budget, financial reporting, auditing and accounts payable. In addition, the Controller sits on many boards and is responsible for many administrative functions relating to those boards.

CORONER

The Coroner is responsible for inquiries/inquests relating to wrongful and/or suspicious deaths for the County.

DISTRICT ATTORNEY

The District Attorney is the chief prosecutor for the County.

PROTHONOTARY

The Prothonotary is responsible for maintaining court records and filings relating to divorce, civil cases, filing financial statements, liens and issuing passports.

RECORDER OF DEEDS

The Recorder of Deeds is responsible for the official filing of all property transfers within the County. This includes recordation of mortgages as well as deeds for properties sold.

REGISTER OF WILLS

The Register of Wills is responsible for issuing marriage licenses, legal filings of estates and collecting estate taxes.

SHERIFF

The Sheriff is the chief law enforcement officer for the County.

TREASURER

The Treasurer is responsible for collecting taxes levied by the County, investing County funds and issuing licenses for small games of chance and dog permits.

JURY COMMISSIONERS

The Jury Commissioners are responsible for the jury selection process for the Court of Common Pleas.

ELECTED OFFICIALS – (Continued)

COURT OF COMMON PLEAS

There are seven judges that preside over the Court of Common Pleas within Beaver County. They are responsible for hearing cases and legal decisions in addition to overseeing the court system of Beaver County.

DISTRICT JUSTICES

There are nine District Justices within Beaver County that are established by district. They are responsible for arraignments, hearing minor claims, and traffic violations for Beaver County.

DEPARTMENT DESCRIPTIONS

ADULT PROBATION

This office administers the probation procedures as established by the court system. The office is responsible for monitoring adult individuals who are serving court-mandated probation in addition to administering state and federal grants that are received for such purposes.

AIRPORT

This department is responsible for the safe and efficient operation of the Beaver County Airport. This includes enforcing Federal Aviation Administration policies and administering grants that are in effect for various airport projects.

ALLENCREST JUVENILE DETENTION CENTER

The center operates within guidelines as established by the court system pertaining to juveniles. This center houses and monitors juveniles while providing necessary counseling as required by the courts.

ASSESSMENT / TAX CLAIM

This office is responsible for enforcing taxes levied by the Board of Commissioners for real estate. It assesses all properties within the County and manages the tax system.

CHIEF CLERK

The Chief Clerk is an administrative assistant to the Board of Commissioners.

CHILDCARE RESOURCE MANAGEMENT

This department is responsible for the managed care program for children within Beaver County and it administers the grant programs that are established for those purposes by the Commonwealth and Federal government.

CHILDREN & YOUTH

This agency oversees the programs which the County provides under grants awarded by the Commonwealth and Federal governments for the welfare of children. The agency provides families, as well as children, with various services such as counseling and foster care.

COMMUNITY DEVELOPMENT

This department is responsible for the administration of Federal and Commonwealth grants that are provided to the County for various programs. These programs assist in private and public development and improvement such as main street renovations and infrastructure repairs.

COURT ADMINISTRATOR

This administrative office of the court manages the court system within Beaver County. This entails all activities and responsibilities of the court system, as well as the offices that are responsible for those activities.

DEPARTMENT DESCRIPTIONS - (Continued)

DEPARTMENT OF PUBLIC WORKS

This department manages various County projects, parks, road maintenance, rodent control, buildings and grounds and minor repairs.

DOMESTIC RELATIONS

This court related office is responsible for providing and managing services that are under the auspices of the court system regarding domestic (family) problems and court situations.

ELECTIONS BUREAU

This office is responsible for all activities involving primary, general and special elections within Beaver County.

EMERGENCY SERVICES

This office is responsible for managing and administrating all activities that pertain to emergency situations affecting Beaver County. The 911 Center of Beaver County is under this jurisdiction.

EMPLOYEE RELATIONS

This department is responsible for all activities pertaining to human resources for Beaver County. Included in this array of services are payroll, employee hiring, discharge, rehabilitation efforts, administrating Equal Employment Opportunities Commission compliance, and labor relations activities.

FINANCIAL ADMINISTRATOR

This individual is responsible for the preparation of the County's budget.

FRIENDSHIP RIDGE

This is the County-owned facility that accommodates individuals in need of long-term health care.

INFORMATION TECHNOLOGY

This office is responsible for managing information services which are provided for the County. The department provides technical services and support for various hardware and software programs in operation as well as communication systems. The department also directs the central telephone system.

JAIL

The jail serves as a detention center for individuals awaiting trial or sentenced to serve time for minor violations or on work release programs mandated by the court.

JUVENILE SERVICES

This department is responsible for overseeing the probation activities relating to minors/juveniles ordered into probation programs through the court system.

DEPARTMENT DESCRIPTIONS - (Continued)

LAW DEPARTMENT

This department acts as general legal counsel for the County. They directly report to the Board of Commissioners but assist all County offices and departments with legal expertise.

LAW LIBRARY

This department is a Pennsylvania practice library, with almost everything one would need for any Pennsylvania legal issue. It also has the basics for federal practice.

LIBRARY COMMISSION

The commission administers the library system of Beaver County. The system is composed of ten member libraries and a bookmobile. Each library is responsible for managing its own budget and is supported by Federal, Commonwealth, and County funds.

MENTAL HEALTH / MENTAL RETARDATION

This agency provides services for individuals needing assistance due to dependencies or addictions to controlled substances and alcohol abuse. The services provided are mental health, mental retardation, and drug and alcohol programs in forms of self-help and advocacy organizations. They also provide counseling, case management, prevention/intervention, outpatient and inpatient services, and treatment. The agency is able to provide such services through grants offered by Federal, Commonwealth and County funding.

MICROGRAPHICS

This department provides microfilming services and record assistance to all Beaver County offices.

OFFICE ON AGING

This agency is responsible for administering all programs provided by Beaver County to senior citizens. The types of services include but are not limited to: information and referral, care management, homemaker service, personal and attendant care, adult day care, respite care and ombudsman services. This agency is able to provide services through funding provided by the Federal, Commonwealth, and County governments.

PLANNING COMMISSION

This department is responsible for helping the public shape the kinds of communities desired. Part of this job is done through zoning, division of land into various uses to avoid nuisances and promote a healthy and orderly development. Zoning is a tool, but it is not in itself planning. Planning involves many such tools, including economic and demographic analysis, natural and cultural resource evaluation, goal setting, land use regulation, and strategic planning.

PUBLIC DEFENDER

The Public Defender is responsible for providing legal services to indigent individuals as required by the Courts.

DEPARTMENT DESCRIPTIONS – (Continued)

PURCHASING/CENTRAL SERVICES

This department is responsible for all procurement for the County. In addition, it is responsible for maintaining all records for fixed assets.

RECREATION AND TOURIST PROMOTION

This department is responsible for administering all recreational programs offered by the County, management of County recreational facilities, and promoting tourism within the County.

VETERANS AFFAIRS

This department provides services and information to veterans and their families concerning benefits and it administers the Federal, Commonwealth, and County laws pertaining to burial of deceased veterans and their spouses.

VICTIM WITNESS

This department operates under the auspices of the District Attorney's Office. It provides assistance to individuals that had been victimized by a crime or witnessed a crime.

WASTE MANAGEMENT

This department manages the recycling program for Beaver County.

WEIGHTS AND MEASURES

This department is responsible for the testing and review of all weighing and measuring devices both public and private within Beaver County and offering the necessary certifications of compliance.

June 24, 2009

The Board of County Commissioners
and the Beaver County Controller
County of Beaver
Beaver, Pennsylvania

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and remaining fund information of Beaver County, Pennsylvania (the County) as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the component units' financial statements of the Beaver County Transit Authority and the Community College of Beaver County as of and for the year ended June 30, 2008. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion insofar as it relates to the amounts included for the Beaver County Transit Authority and the Community College of Beaver County, is based solely on reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of Beaver County, Pennsylvania, as of December 31, 2008, the discretely presented component units as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 20 through 31 and the respective budgetary comparisons for the general fund and major special revenue funds on pages 118 through 121 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual non-major fund financial statements, budgetary comparisons of the non-major special revenue funds and capital projects funds, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements and budgetary comparisons of the non-major special revenue funds and capital projects funds have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The Brinkley Kanaway Group, LLC
Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Beaver (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The County advanced its commitment to local educational entities by increasing funding.
- In the face of continuing economic difficulties, tax revenue collections increased due to a tax millage increase from 18.7 to 22.2.
- The County maintained an investment grade bond rating of 'AAA' insured from Standard & Poor's.
- The 2008 Annual Required Contribution to the pension trust fund was \$1,887,756.
- The County issued a Tax Revenue Anticipation Note on January 2, 2008, to provide for short-term financing needs. This note was repaid before December 31, 2008.
- The HealthChoices Program continues to successfully manage expenses so that excess funds can be used to fund behavioral health programs across the County.
- The Pension Trust Fund's investments lost an approximate \$42 million due primarily to losses in the fair value of investments.
- The County entered into a capital lease agreement with the Beaver County Economic Development Authority for the construction and occupancy of the new Beaver County Emergency Management Center.
- The liability associated with the fair value of the 2006 Swap Agreement increased approximately \$6.3 million due to adverse market conditions.
- The County received a grant for roughly \$1.8 million to improve emergency 911 systems.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *Statement of Net Assets* provides information showing the status of the County's financial position at year-end. It reports the availability of assets for future use and is an important management tool in financial planning. This statement distinguishes those assets used exclusively with regards to government operation versus those assets committed to the business operation of a government.

The *Statement of Activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as uncollected taxes, earned but unused vacation leave, accrued interest on long-term debt, accrued payroll, and intergovernmental receivables.

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County are general government; judicial; public safety; public works and enterprise; culture, recreation and conservation; human services; and economic development. The business-type activities of the County are Friendship Ridge, Emergency Services 911, and HealthChoices.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also two legally separate entities, the Beaver County Transit Authority and the Community College of Beaver County, for which the County provides subsidies and appoints their boards. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 32-35 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. This fund grouping is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Immediately following both the governmental funds' balance sheet and the governmental funds' statement of revenues, expenditures, and changes in fund balances, is a statement that provides a reconciliation to facilitate a comparison between *governmental funds* and *governmental activities*.

The County maintains twenty individual governmental funds. Information is presented separately in the governmental funds' balance sheet and in the governmental funds' statement of revenues, expenditures, and changes in fund balance for the General Fund, Mental Health / Mental Retardation, Children & Youth, Community Development, and the 2007 Capital Projects Fund, all of which are considered to be major funds. Data from the other fifteen governmental funds are combined into a single aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules. The County adopts an annual appropriated budget for each of its governmental funds.

The basic governmental funds' financial statements can be found on pages 36-41 of this report. The combining and individual fund schedules for the non-major governmental funds are presented following the required supplementary information. They can be found on pages 142-165 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for Friendship Ridge, Emergency Services 911, and HealthChoices. *Internal service funds* are used to accumulate and allocate costs internally among the County's various functions.

The County uses internal service funds to account for the medical benefits of the County's employees (except for Friendship Ridge) and to account for workers' compensation costs. Because this service predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds' financial statements provide separate information for Friendship Ridge and HealthChoices. These are both major funds. Emergency Services 911, which is a non-major fund, is also presented on the proprietary funds' financial statements. The proprietary funds' financial statements also provide separate information for the County's internal service funds.

The basic proprietary funds' financial statements and also the combining financial statement for the internal service funds can be found on pages 42-47 of this report. The individual financial statements for the internal service funds can be found on pages 166-168 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the reporting government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 48-49 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 50-115 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding, its obligation to provide pension benefits to its employees and budgetary comparison schedules for the General Fund and other major special revenue funds, which have been provided to demonstrate compliance with the budget. Required supplementary information can be found on pages 116-122 of this report.

Government-wide Financial Analysis

This analysis focuses on the *primary government*, as defined on page 21. Separate financial statements for the County's component units, including their managements' discussion and analysis, can be obtained from the component units at the addresses disclosed in Note A.

Analysis of Net Assets

Net assets are a useful indicator of a government's financial position. For the County, total liabilities exceeded assets by \$6,183,589 and \$2,707,735, at December 31, 2008 and 2007, respectively.

County of Beaver's Statement of Net Assets
(in thousands)

The following is a summary of the County's Statement of Net Assets as of December 31, 2008 and 2007:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Assets:						
Current and Other Assets	\$ 42,124	\$ 40,667	\$ 33,189	\$ 33,006	\$ 75,313	\$ 73,673
Capital Assets	<u>90,680</u>	<u>90,718</u>	<u>14,277</u>	<u>13,183</u>	<u>104,957</u>	<u>103,901</u>
Total Assets	132,804	131,385	47,466	46,189	180,270	177,574
Liabilities:						
Long-Term Liabilities	118,880	113,715	9,265	9,882	128,145	123,597
Other Liabilities	<u>20,108</u>	<u>20,378</u>	<u>11,801</u>	<u>9,991</u>	<u>31,909</u>	<u>30,369</u>
Total Liabilities	138,988	134,093	21,066	19,873	160,054	153,966
Net Assets:						
Invested in Capital Assets, Net of Related Debt	9,036	9,355	9,286	8,527	18,322	17,882
Restricted	-	-	11,534	11,970	11,534	11,970
Unrestricted	<u>(15,220)</u>	<u>(12,062)</u>	<u>5,580</u>	<u>5,818</u>	<u>(9,640)</u>	<u>(6,244)</u>
Total Net Assets	\$ <u>(6,184)</u>	\$ <u>(2,707)</u>	\$ <u>26,400</u>	\$ <u>26,315</u>	\$ <u>20,216</u>	\$ <u>23,608</u>

A significant portion of net assets are largely restricted for specific legal purposes in the HealthChoices program.

County of Beaver's Statement of Activities
(in thousands)

The following summarizes the County's Statement of Activities for the years ended December 31, 2008 and 2007:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Program Revenues:						
Fees and Charges	\$ 11,631	\$ 11,676	\$ 79,435	\$ 77,753	\$ 91,066	\$ 89,429
Operating Grants and Contributions	80,267	77,285	1,795	1,622	82,062	78,907
General Revenues:						
Real Estate Taxes	45,714	38,996	-	-	45,714	38,996
Investment Income/(Loss)	(5,316)	2,138	473	758	(4,843)	2,896
Unrestricted Gifts	-	-	12	36	12	36
Total Revenue	<u>132,296</u>	<u>130,095</u>	<u>81,715</u>	<u>80,169</u>	<u>214,011</u>	<u>210,264</u>
Program Expenses:						
General Government	10,885	10,638	-	-	10,885	10,638
Judicial	13,887	13,116	-	-	13,887	13,116
Public Safety	13,703	11,032	-	-	13,703	11,032
Public Works and Enterprises	5,279	4,886	-	-	5,279	4,886
Culture and Recreation	3,335	3,236	-	-	3,335	3,236
Human Services	74,933	71,620	-	-	74,933	71,620
Economic Development	7,913	9,688	-	-	7,913	9,688
Interest Expense	5,222	5,464	-	-	5,222	5,464
Friendship Ridge	-	-	53,439	52,609	53,439	52,609
Emergency Services	-	-	2,179	2,906	2,179	2,906
HealthChoices	-	-	26,628	23,034	26,628	23,034
Total Expense	<u>135,157</u>	<u>129,680</u>	<u>82,246</u>	<u>78,549</u>	<u>217,403</u>	<u>208,229</u>
Excess (Deficiency) Before Other Items and Transfers	(2,861)	415	(531)	1,620	(3,392)	2,035
Gain (Loss) on Disposals	-	-	-	-	-	-
Investment Income/(Loss)	-	-	-	-	-	-
Transfers	(616)	584	616	(584)	-	-
Change in Net Assets	<u>(3,477)</u>	<u>999</u>	<u>85</u>	<u>1,037</u>	<u>(3,392)</u>	<u>2,036</u>
Net Assets - Beginning	<u>(2,707)</u>	<u>(3,707)</u>	<u>26,315</u>	<u>25,869</u>	<u>23,608</u>	<u>22,162</u>
*Prior Period Adjustment	-	-	-	(590)	-	(590)
Net Assets - Ending	<u>\$ (6,184)</u>	<u>\$ (2,707)</u>	<u>\$ 26,400</u>	<u>\$ 26,315</u>	<u>\$ 20,216</u>	<u>\$ 23,608</u>

*In 2007, the beginning net assets balance for Friendship Ridge was adjusted to reduce receivables related to third party settlements amounting to \$590,000.

Changes in Net Assets

The County's governmental activities net assets decreased \$3,475,848 and increased \$999,172 for the years ended December 31, 2008 and 2007, respectively.

The County's business-type activities net assets increased \$84,013 and \$1,036,536 for the years ended December 31, 2008 and 2007, respectively.

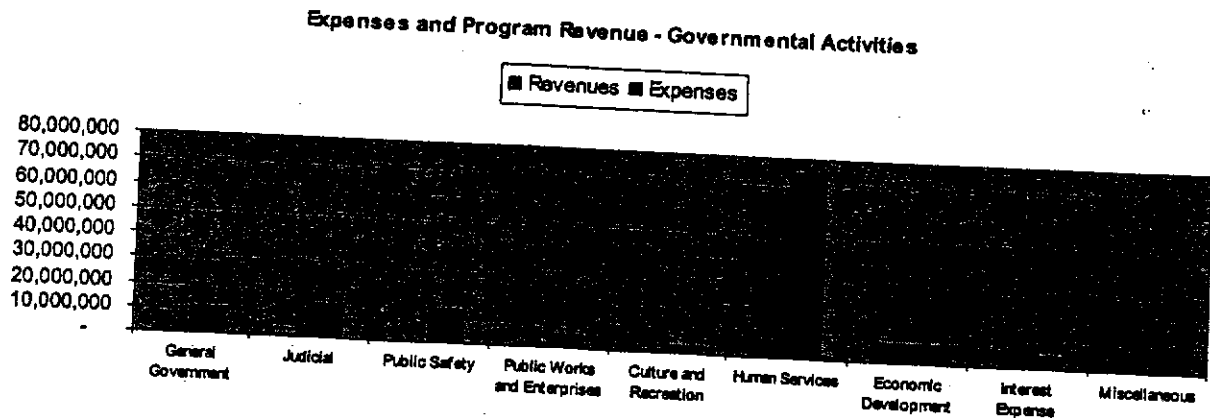
The County's expenses for governmental and business-type activities cover a wide range of services. The largest share of expenses continues to be incurred for Human Services, HealthChoices and Friendship Ridge.

Analysis of Changes in Net Assets

The County's total net assets decreased \$3,391,832 and increased \$2,035,708 for the years ended December 31, 2008 and 2007, respectively. The current year's decrease is explained in the governmental and business-type activities discussion below.

Governmental Activities

Governmental activities decreased the County's net assets \$3.4 million. A key element of this decrease is the change in the fair value of the 2006 Swap Agreement.



In the Public Safety function, total expenses increased \$2.6 million in large part due to fewer reimbursements received from Children & Youth during the current year for expenses related to Allencrest Juvenile Detention Center and Juvenile Probation.

In the Human Services function, revenues increased approximately \$6.2 million in large part due to increased grant funding in Mental Health / Mental Retardation, Childcare Resource Management, Office on Aging and Domestic Relations. Total expenses only increased \$3.3 million due to a substantial decrease in Children & Youth reimbursements to the General Fund.

In the Public Works and Enterprises function, revenues decreased \$1.8 million due mainly to a decrease in Liquid Fuels funding because less bridges were in the construction phase.

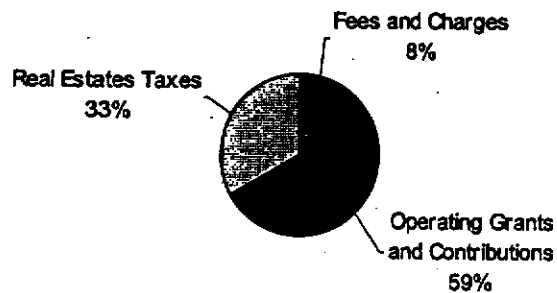
In the Economic Development function, revenues and expenses both decreased \$1.7 million due to a decrease in Community Development's federal funding.

Total expenses of the County increased approximately \$5.5 million in large part due to increased Public Safety and Human Services expenses described above.

Investment income of the County decreased \$7.4 million because of the change in the fair market value of the 2006 Swap Agreement.

The revenue mix of the County's governmental activities remained fairly constant when compared with 2007. Approximately 59% of the County's revenue came from grants and contributions, 8% for fees and charges and 33% from taxes on real estate. The corresponding figures for 2007 were 59%, 9%, and 30% respectively with an additional 2% from investment income.

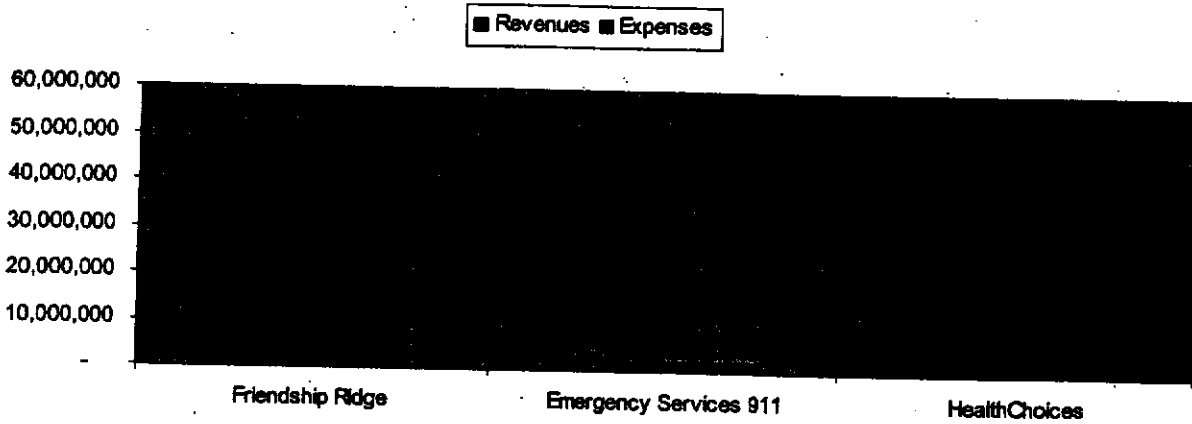
Revenues by Source - Governmental Activities



Business-type Activities

Net Assets for business-type activities remained constant for the year ended December 31, 2008. However, individually both Friendship Ridge's and HealthChoices' net assets decreased approximately \$400,000 due to operating losses while Emergency Services 911's net assets increased \$800,000 because of grant income.

Expenses and Program Revenues - Business-type Activities

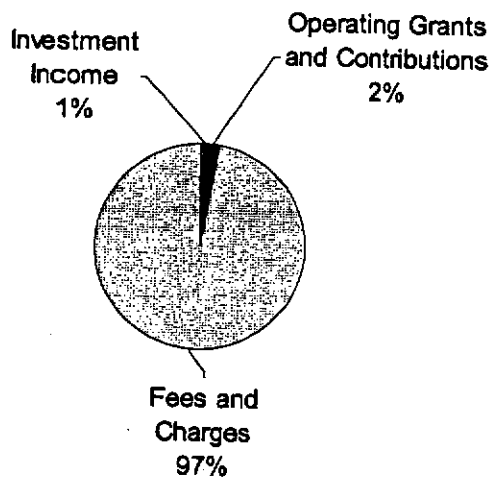


Emergency Services 911's operating expenses decreased \$700,000 due to less spending on consultant services related to wireless communication system upgrades.

HealthChoices' operating revenues increased \$1 million due to increased funding from the state to provide behavioral health treatment to the citizens of Beaver County. Operating expenses increased approximately \$3 million because of increased utilization of the program.

The revenue mix of the County's business-type activities remained the same when compared to 2007 with approximately 2% of the County's revenue coming from grants and contributions and 97% for fees and charges.

Revenues by Source - Business-type Activities



Financial Analysis of the County's Individual Funds

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the County's financing requirements. In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At December 31, 2008, the County's governmental funds reported a combined ending fund balance of \$6,734,098 which represents a decrease of \$3,440,390 in comparison to the previous year. The ending fund balance represents amounts available for future appropriations as follows: \$3,766,672 for the Special Revenue Funds, \$1,656,594 for the Capital Project Funds and \$1,310,832 for the General Fund. All Special Revenue fund balances will be used to advance the purpose of each specific fund. The General Fund is discussed in more detail in the General Fund budgetary highlights section (see below).

The 2007 Capital Projects Fund's fund balance decreased approximately \$1.4 million and increased approximately \$2.8 million for 2008 and 2007, respectively. The 2007 Capital Projects Fund was created in 2007 and therefore represented an increase in fund balance over the prior year. The decrease in 2008 was due to the purchase of various capital items throughout the year. The entire remaining balance will be used to purchase various capital improvements throughout the County.

Children & Youth's fund balance decreased \$1.4 million due mainly to grant revenue that was not recognized at December 31, 2008.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Please refer to the *Analysis of Changes in Net Assets* for business-type activities for a discussion of Friendship Ridge and HealthChoices.

The HealthChoices Fund is an enterprise fund of the County in which the fund balance decreased approximately \$400,000 in 2008 and increased by \$2.2 million in 2007. The fund balance is restricted to furthering behavioral health treatment in the County or to provide financial stability within the HealthChoices program.

Fiduciary Funds

The County maintains fiduciary funds for the Pension Trust Fund and several Agency Funds. The Pension Trust Fund's net assets decreased \$42,194,995 in 2008 as compared to an increase of \$8,080,178 during 2007. The substantial decrease in 2008 in the Pension Trust Fund's net assets is due primarily to depreciation in the fair value of investments whereas the increase for 2007 was mainly attributed to the appreciation in fair value of investments and interest earned.

General Fund Budgetary Highlights

During any given year there are many factors that may change a budget from the *original* approved version to the *final* ending version. There may be changes in policies, revenue sources or unexpected events that have a financial impact upon the County and require that the budget be adjusted to reflect those circumstances.

The General Fund's budgeted revenues were increased by approximately \$300,000 from the original budget primarily due to an expected increase in intergovernmental revenues and departmental earnings that was never realized.

The General Fund's budgeted expenditures were increased by approximately \$700,000 from the original budget during the year. Such a variance was largely due to the unforeseen increase in the 2006 Swap Agreement payments throughout the year.

In reviewing the General Fund budget, there are differences between actual amounts and those budgeted that are due to various business and economic factors within the County. General Fund expenditures ended approximately \$400,000 under budget. This decrease in expenditures is due in part to salary reimbursements from another County entity that were not included in the budget and lower insurance costs.

The County continues to operate in a fiscally prudent manner, with each department's manager monitoring employee expenses (overtime, travel), delaying major purchases, and imposing a freeze on job creation.

County of Beaver's Capital Assets (in thousands and net of depreciation)

What follows is a summary of the County's capital assets as of December 31, 2008 and 2007:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Assets not Being Depreciated	\$ 3,250	\$ 1,874	\$ 553	\$ 81	\$ 3,803	\$ 1,955
Buildings and Improvements	57,355	58,953	7,417	6,857	64,772	65,810
Vehicles	404	332	-	-	404	332
Furniture and Equipment	4,767	5,058	6,307	6,245	11,074	11,303
Infrastructure	24,904	24,501	-	-	24,904	24,501
Total	<u>\$ 90,680</u>	<u>\$ 90,718</u>	<u>\$ 14,277</u>	<u>\$ 13,183</u>	<u>\$ 104,957</u>	<u>\$ 103,901</u>

Additional information on the County's capital assets can be found in Note F on pages 77-80 of this report.

Outstanding Debt at Year End

The following is a summary of the County's outstanding bonds as of December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Governmental Activities:		
General obligation debt	\$ 65,776,253	\$ 68,007,510
Other long-term debt	<u>53,104,068</u>	<u>45,706,584</u>
	118,880,321	113,714,094
Business-type Activities:		
General obligation debt	8,894,004	9,477,588
Other long-term debt	<u>370,897</u>	<u>404,221</u>
	<u>9,264,901</u>	<u>9,881,809</u>
Total	<u>\$ 128,145,222</u>	<u>\$ 123,595,903</u>

The County's general obligation bond rating is 'AAA' insured from Standard and Poor's. More detailed information about the County's long-term liabilities can be found in Note J on pages 89-109 of this report.

Economic Factors

In February 2009, the County issued General Obligation Notes, Series of 2009 in the amount of \$72,685,000. This General Obligation Note refunded the General Obligation Bond Series B of 2007 and in management's opinion settled all obligations related to the 2006 Swap Agreement.

In June 2009, the County issued General Obligation Pension Bonds, Series of 2009 in the amount of \$19,135,000 to reduce the volatility of the annual required pension contributions.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in them. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of the Controller
Beaver County Courthouse
810 Third Street
Beaver, Pennsylvania 15009-2196

BASIC FINANCIAL STATEMENTS

County of Beaver, Pennsylvania

STATEMENT OF NET ASSETS
December 31, 2008 or June 30, 2008

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 22,230,404	\$ 6,328,622	\$ 28,559,027
Restricted Cash	-	9,839,920	9,839,920
Investments	-	-	-
Receivables	12,027,363	10,072,012	22,099,375
Internal Balances	(4,055,438)	4,055,437	-
Supplies	-	287,959	287,959
Prepaid Expenses	304,807	1,772,651	2,077,458
Other Assets	1,478,456	832,343	2,310,799
Land	1,874,354	42,075	1,916,429
Buildings and Improvements	84,186,042	14,769,317	98,955,359
Construction in Progress	1,375,582	511,331	1,886,913
Vehicles	2,796,079	-	2,796,079
Furniture and Equipment	15,573,408	30,844,366	46,417,774
Infrastructure	35,166,998	-	35,166,998
Accumulated Depreciation	(50,292,520)	(31,890,101)	(82,182,621)
Net Pension Asset	10,138,754	-	10,138,754
TOTAL ASSETS	<u>\$ 132,804,288</u>	<u>\$ 47,465,932</u>	<u>\$ 180,270,220</u>
LIABILITIES			
Accounts Payable and Other			
Current Liabilities:			
Accounts Payable	\$ 7,909,088	\$ 2,979,042	\$ 10,888,129
Accrued Vacation	2,440,240	820,532	3,260,772
Accrued Interest	824,778	97,057	921,835
Accrued Other Liabilities	2,882,181	3,576,905	6,459,086
Unearned Revenues	5,593,925	2,027,763	7,621,688
Accrued Other Employee Benefits	457,343	199,844	657,187
Accrued HealthChoices Program Costs	-	2,100,000	2,100,000
Non-current Liabilities:			
Due within one year	5,057,263	668,179	5,725,442
Due in more than one year	113,823,058	8,596,722	122,419,780
TOTAL LIABILITIES	<u>\$ 138,987,877</u>	<u>\$ 21,066,044</u>	<u>\$ 160,053,921</u>
NET ASSETS			
Invested in Capital Assets			
Net of Related Debt	\$ 9,036,227	\$ 9,285,440	\$ 18,321,667
Restricted for:			
Restricted Fund	-	3,082,419	3,082,419
Risk and Contingency	-	4,739,130	4,739,130
Reinvestment	-	3,712,535	3,712,535
Unrestricted	(15,219,816)	5,580,364	(9,639,451)
TOTAL NET ASSETS	<u>\$ (6,183,589)</u>	<u>\$ 26,399,888</u>	<u>\$ 20,216,299</u>

Component Units	
Beaver County Transit Authority as of June 30, 2008	Community College of Beaver County as of June 30, 2008
\$ 1,927,497	\$ 6,309,504
-	-
-	24,216,400
2,361,716	1,077,850
-	-
262,761	38,782
85,049	1,560,988
-	1,193,406
3,286,120	952,288
14,124,795	20,496,616
-	-
12,499,204	206,753
1,626,990	7,173,709
-	-
(10,355,082)	(17,012,039)
-	-
<u>\$ 25,819,050</u>	<u>\$ 46,214,257</u>
\$ 192,895	\$ 1,600,925
-	717,655
-	126,538
165,396	1,180,467
3,213,278	300,368
-	169,746
-	-
-	1,293,667
-	32,757,187
<u>\$ 3,571,569</u>	<u>\$ 38,146,553</u>
\$ 21,182,027	\$ 2,994,613
-	10,000
-	-
-	-
1,065,454	5,063,091
<u>\$ 22,247,481</u>	<u>\$ 8,067,704</u>

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

STATEMENT OF ACTIVITIES

For the Years Ended December 31, 2008 or June 30, 2008

FUNCTIONS/PROGRAMS	Expenses	Fees and Charges	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General Government	\$ 10,885,322	\$ 8,078,762	\$ 1,882,245	\$ -
Judicial	13,886,914	335,118	2,586,580	-
Public Safety	13,702,730	-	152,238	-
Public Works and Enterprises	5,278,816	285,784	1,109,856	-
Culture, Recreation and Conservation	3,334,894	-	654,514	-
Human Services	74,933,041	1,398,292	66,478,710	-
Economic Development	7,912,766	385,609	7,403,129	-
Miscellaneous	-	1,147,581	-	-
Interest Expense	5,222,561	-	-	-
Total Governmental Activities	135,157,044	11,631,145	80,267,272	-
Business-type Activities:				
Friendship Ridge	53,439,581	52,376,087	-	-
Emergency Services 911	2,178,655	1,212,158	1,795,207	-
HealthChoices	26,628,247	25,846,355	-	-
Total Business-type Activities	82,246,483	79,434,600	1,795,207	-
TOTAL PRIMARY GOVERNMENT	\$ 217,403,527	\$ 91,065,746	\$ 82,062,479	\$ -
Component Units:				
Beaver County Transit Authority	9,960,759	1,256,017	7,800,598	4,999,978
Community College of Beaver County	23,365,020	14,271,225	9,226,521	-
TOTAL COMPONENT UNITS	\$ 33,325,779	\$ 15,527,242	\$ 17,027,119	\$ 4,999,978

General Revenues:
Real Estate Taxes
Investment Income/(Loss)
Unrestricted Gifts
Transfers

Total General Revenues
and Transfers

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

**Net (Expenses) Revenues and
Change in Net Assets**

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Beaver County Transit Authority for the year ended June 30, 2008	Community College of Beaver County for the year ended June 30, 2008
\$ (924,316)	\$ -	\$ (924,316)	\$ -	\$ -
(10,965,216)	-	(10,965,216)	-	-
(13,550,492)	-	(13,550,492)	-	-
(3,883,176)	-	(3,883,176)	-	-
(2,680,380)	-	(2,680,380)	-	-
(7,056,039)	-	(7,056,039)	-	-
(124,027)	-	(124,027)	-	-
1,147,581	-	1,147,581	-	-
(5,222,561)	-	(5,222,561)	-	-
(43,258,627)	-	(43,258,627)	-	-
-	(1,063,494)	(1,063,494)	-	-
-	828,710	828,710	-	-
-	(781,892)	(781,892)	-	-
-	(1,016,676)	(1,016,675)	-	-
<u>\$ (43,258,627)</u>	<u>\$ (1,016,676)</u>	<u>\$ (44,275,301)</u>	<u>\$ -</u>	<u>\$ -</u>
-	-	-	4,095,834	-
-	-	-	-	132,726
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,095,834</u>	<u>\$ 132,726</u>
45,714,111	-	45,714,111	-	-
(5,315,720)	473,498	(4,842,222)	1,623	1,441,265
-	11,579	11,579	-	-
(615,612)	615,612	-	-	-
39,782,778	1,100,689	40,883,467	1,623	1,441,265
(3,475,848)	84,013	(3,391,834)	4,097,457	1,573,991
(2,707,741)	26,315,875	23,608,134	18,150,024	6,493,713
<u>\$ (6,183,589)</u>	<u>\$ 26,399,888</u>	<u>\$ 20,216,299</u>	<u>\$ 22,247,481</u>	<u>\$ 8,067,704</u>

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2008**

	<u>General</u>	<u>Mental Health/ Mental Retardation</u>	<u>Children & Youth</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,388,468	\$ 5,948,680	\$ 61,256
Prepaid Other	39,646	155,476	17,014
Receivables	2,213,406	895,661	4,414,901
Interfund Receivable	2,983,738	1,320,629	-
TOTAL ASSETS	<u>\$ 6,625,258</u>	<u>\$ 8,320,446</u>	<u>\$ 4,493,171</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 1,004,640	\$ 4,622,415	\$ 476,549
Interfund Payable	1,541,190	127,328	2,105,824
Accrued Wages and Payroll Costs	1,658,561	-	-
Accrued Other Liabilities	494,176	336,444	-
Deferred Revenues	615,860	2,800,000	3,194,011
TOTAL LIABILITIES	5,314,427	7,886,187	5,776,383
FUND BALANCES			
Unreserved, Designated for Encumbrances:			
General Fund	77,750	-	-
Special Revenue Funds	-	39,837	3,253
Capital Projects Funds	-	-	-
Unreserved, Undesignated:			
General Fund	1,233,082	-	-
Special Revenue Funds	-	394,422	(1,286,466)
Capital Projects Funds	-	-	-
TOTAL FUND BALANCES	<u>1,310,832</u>	<u>434,259</u>	<u>(1,283,213)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,625,258</u>	<u>\$ 8,320,446</u>	<u>\$ 4,493,171</u>

<u>Community Development</u>	<u>2007 Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 3,378,084	\$ 5,790,370	\$ 5,014,845	\$ 21,581,704
396,740	-	18,142	230,278
-	-	1,065,002	8,985,710
-	-	220,560	4,524,927
<u>\$ 3,774,824</u>	<u>\$ 5,790,370</u>	<u>\$ 6,318,549</u>	<u>\$ 35,322,617</u>
\$ 498,532	\$ 161,549	\$ 1,086,547	\$ 7,850,232
48,532	4,194,456	563,035	8,580,365
-	-	-	1,658,561
-	-	393,000	1,223,620
<u>2,019,653</u>	<u>-</u>	<u>646,219</u>	<u>9,275,743</u>
2,566,717	4,356,005	2,688,801	28,588,521
15,377	-	-	77,750
-	745,070	250,751	309,218
-	-	-	745,070
1,192,729	-	-	1,233,082
-	689,295	3,156,768	3,457,454
-	-	222,229	911,524
<u>1,208,106</u>	<u>1,434,365</u>	<u>3,629,748</u>	<u>6,734,098</u>
<u>\$ 3,774,824</u>	<u>\$ 5,790,370</u>	<u>\$ 6,318,549</u>	<u>\$ 35,322,617</u>

The accompanying notes are an integral part of this financial statement.

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County of Beaver, Pennsylvania

**RECONCILIATION OF GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET ASSETS
December 31, 2008**

TOTAL FUND BALANCES		\$ 6,734,098
Receivables for real estate taxes not available to pay for current period expenditures, and therefore, are deferred in the funds.		2,982,092
Costs associated with the issuance of bonds are deferred in the Statement of Net Assets and reported as Other Assets, net of accumulated amortization.		1,478,456
Grant revenues not available to pay for current period expenditures, and therefore, are deferred in the funds		3,681,815
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
Land		
Buildings and improvements	\$ 1,874,354	
Vehicles	84,186,042	
Furniture and equipment	2,796,079	
Infrastructure	15,573,408	
Construction in Progress	35,166,998	
Accumulated depreciation	1,375,582	
	<u>(50,292,520)</u>	90,679,943
Accrued interest and accrued vacation payable are not recognized in governmental funds.		
Accrued interest payable	(824,778)	
Accrued vacation payable	<u>(2,440,240)</u>	(3,265,018)
Non-current liabilities are not due nor payable in the current period, and therefore, are not reported in the funds. Those liabilities consist of:		
General obligation bonds payable	(65,776,253)	
Other general long-term liabilities -		
PFA Series 2007 Bonds	(350,000)	
PFA Series 2005 Bonds	(3,005,000)	
Pension Obligation Bond	(13,355,000)	
PFA 2006 Bonds	(3,507,666)	
PFA Series A of 2006	(3,017,122)	
PFA Series B of 2006	(2,028,890)	
Capital lease obligations	(7,865,221)	
Advances on 9-1-1 Building Lease	(1,375,582)	
2006 Swap Agreement	(17,531,368)	
Accrued sick and early termination benefits payable	<u>(1,068,219)</u>	(118,880,321)
Pension Contributions in excess of ARC treated as net pension asset		10,138,754
An internal service fund is used by management to account for medical benefits of the County employees. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets.		<u>266,591</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES		\$ (6,183,589)

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2008**

	<u>General</u>	<u>Mental Health/ Mental Retardation</u>	<u>Children & Youth</u>	<u>Community Development</u>
REVENUES				
Real Estate Taxes	\$ 45,361,286	\$ -	\$ -	\$ -
Licenses and Permits	94,777	-	-	-
Interest and Rents	443,976	229,666	44,980	115,300
Intergovernmental Revenues	4,347,860	35,301,508	10,894,849	7,403,129
Departmental Earnings	7,842,980	1,199,395	137,921	385,609
Local Hotel Room Tax	-	-	-	-
Miscellaneous	1,036,170	104,861	-	-
TOTAL REVENUES	59,127,048	36,835,430	11,077,749	7,904,038
EXPENDITURES				
Current:				
General Government	9,628,581	-	-	-
Judicial	10,837,960	-	-	-
Public Safety	13,137,790	-	-	-
Public Works and Enterprises	3,537,607	-	-	-
Culture, Recreation and Conservation	2,831,992	-	-	-
Economic Development	-	-	-	7,876,607
Intergovernmental:				
Human Services	10,379,808	37,276,451	12,451,227	-
Debt Service:				
Principal	2,718,684	-	-	-
Interest	4,997,227	-	-	-
Infrastructure	-	-	-	-
Capital Asset Acquisition and Improvements	1,633,676	173,212	112,069	-
TOTAL EXPENDITURES	59,703,325	37,449,663	12,563,296	7,876,607
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(576,277)	(614,233)	(1,485,547)	27,431
OTHER FINANCING SOURCES (USES)				
Capital Lease Agreements	1,375,582	-	-	-
Transfers from Other Funds	-	-	-	-
Transfers to Other Funds	(866,511)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	509,071	-	-	-
NET CHANGE IN FUND BALANCE	(67,206)	(614,233)	(1,485,547)	27,431
Fund Balance - Beginning	1,378,038	1,048,492	202,334	1,180,675
Fund Balance - Ending	\$ 1,310,832	\$ 434,259	\$ (1,283,213)	\$ 1,208,106

2007 Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 45,361,286
16,675	118,375	94,777
-	18,638,109	968,971
-	578,951	76,585,454
-	243,930	10,144,856
-	6,550	243,930
-	-	1,147,581
16,675	19,585,915	134,546,856
-	168,930	9,797,512
-	2,940,544	13,778,503
-	120,324	13,258,113
-	367,045	3,904,651
36,471	276,272	3,144,734
-	-	7,876,607
-	14,508,611	74,616,096
-	-	2,718,684
-	-	4,997,227
118,998	963,724	1,082,722
1,292,691	360,716	3,572,364
1,448,160	19,706,165	138,747,213
(1,431,485)	(120,249)	(4,200,357)
-	-	1,375,582
-	250,899	250,899
-	-	(866,511)
-	250,899	759,970
(1,431,485)	130,650	(3,440,387)
2,865,850	3,499,099	10,174,489
\$ 1,434,365	\$ 3,629,748	\$ 6,734,098

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2008**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		\$ (3,440,387)
Revenue timing differences resulted in more revenue for real estate taxes in the Statement of Activities.		352,825
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		3,681,818
The differences due to capital assets are as follows:		
1. Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	\$ 4,655,086	
Depreciation expense	(4,656,742)	(1,656)
2. The effect of the disposal of capital assets is to decrease net assets by the net book value of the disposed assets.		(37,314)
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
Changes in accrued interest payable	322,314	
Changes in accrued vacation payable	(201,722)	120,592
The difference due to non-current liabilities are:		
1. The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.		
Bond principal payments	2,590,784	
Capital lease obligation payments	257,166	
Capital Lease Acquisitions	(1,375,582)	
Debt issuance	1,375,582	2,847,950
2. Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Amortization of bond issuance costs		(95,074)
3. The expense for sick leave and early termination benefits does not require the use of current financial resources. These items are reported as a non-current liability in the Statement of Net Assets.		(336,550)
Amortization of excess general fund pension contribution		(463,179)
Investment loss generated by change in fair market value of financial instruments		(6,302,042)
Elimination of Other Financing Sources related to capital leases		(1,375,582)
An internal service fund is used by management to account for medical and workers' compensation benefits of the County employees. The net change in activity of the internal service fund is reported with governmental activities.		1,572,751
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		\$ (3,475,848)

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2008**

	Business-type Activities - Enterprise Funds				Governmental Activities
	Non-Major Fund				
	Friendship Ridge	Health Choices	Emergency Services 911	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and Cash Equivalents	\$ 843,332	\$ 2,879,303	\$ 2,605,987	\$ 6,328,622	\$ 648,701
Restricted Cash	-	9,839,920	-	9,839,920	-
Receivables	9,891,424	89,722	90,866	10,072,012	59,561
Supplies	287,959	-	-	287,959	-
Prepaid Expenses	74,610	1,431,564	266,479	1,772,653	74,530
Total current assets	<u>11,097,325</u>	<u>14,240,509</u>	<u>2,963,332</u>	<u>28,301,166</u>	<u>782,792</u>
Non-current assets:					
Land	42,075	-	-	42,075	-
Construction in Progress	511,331	-	-	511,331	-
Buildings and Improvements	14,769,317	-	-	14,769,317	-
Furniture and Equipment	27,677,375	73,033	3,093,958	30,844,366	-
Less Accumulated Depreciation	(29,790,915)	(41,388)	(2,057,798)	(31,890,101)	-
Interfund Receivable	4,194,456	-	-	4,194,456	-
Other Assets	513,257	-	-	513,257	-
Resident Funds	319,084	-	-	319,084	-
Total non-current assets	<u>18,235,980</u>	<u>31,645</u>	<u>1,036,160</u>	<u>19,303,785</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 29,333,305</u>	<u>\$ 14,272,154</u>	<u>\$ 3,999,492</u>	<u>\$ 47,604,951</u>	<u>\$ 782,792</u>
LIABILITIES					
Current liabilities:					
Accounts Payable	\$ 2,528,372	\$ 74,927	\$ 375,743	\$ 2,979,042	\$ 58,857
Accrued Payroll	852,721	-	-	852,721	-
Accrued Vacation	820,532	-	-	820,532	-
Current Lease Obligations	38,179	-	-	38,179	-
Interfund Payable	-	17,221	121,798	139,019	-
Accrued Interest	97,057	-	-	97,057	-
Accrued Other Liabilities	2,209,907	514,277	-	2,724,184	-
Deferred Revenues	7,661	-	2,020,102	2,027,763	115,829
Accrued Employee Benefits	199,844	-	-	199,844	-
Accrued Healthcare Costs	-	2,100,000	-	2,100,000	341,514
Bonds Payable - Current Portion	630,000	-	-	630,000	-
Total current liabilities	<u>7,384,273</u>	<u>2,706,425</u>	<u>2,517,643</u>	<u>12,608,341</u>	<u>516,200</u>
Long-term liabilities:					
Bonds Payable	8,556,004	-	-	8,556,004	-
Non Current Capital Lease Obligations	40,718	-	-	40,718	-
TOTAL LIABILITIES	<u>15,980,995</u>	<u>2,706,425</u>	<u>2,517,643</u>	<u>21,205,063</u>	<u>516,200</u>
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	8,217,635	31,645	1,036,160	9,285,440	-
Restricted:					
Reserve for Restricted Fund	-	3,082,419	-	3,082,419	-
Reserve for Risk and Contingency	-	4,739,130	-	4,739,130	-
Reserve for Reinvestment	-	3,712,535	-	3,712,535	-
Unrestricted	<u>5,134,675</u>	<u>-</u>	<u>445,689</u>	<u>5,580,364</u>	<u>266,592</u>
TOTAL NET ASSETS	<u>\$ 13,352,310</u>	<u>\$ 11,565,729</u>	<u>\$ 1,481,849</u>	<u>\$ 26,399,888</u>	<u>\$ 266,592</u>

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
For the Year Ended December 31, 2008**

	Business-type Activities - Enterprise Funds				Governmental Activities
	Friendship Ridge	Health Choices	Non-Major Fund Emergency Services 911	Total	Internal Service Funds
OPERATING REVENUES					
Charges for Services	\$ 52,376,087	\$ 25,846,355	\$ 1,212,158	\$ 79,434,600	\$ 9,550,175
OPERATING EXPENSES					
Costs of Services	48,665,789	22,926,448	836,725	72,428,962	7,345,408
Administrative	2,831,779	3,695,647	1,121,912	7,649,338	649,367
Depreciation and Amortization	1,471,258	6,152	220,018	1,697,428	-
Total Operating Expenses	52,968,826	26,628,247	2,178,655	81,775,728	7,994,775
OPERATING INCOME (LOSS)	(592,739)	(781,892)	(966,497)	(2,341,128)	1,555,400
NON-OPERATING REVENUES (EXPENSES)					
Debt Service Interest	(470,755)	-	-	(470,755)	-
Grant Income	-	-	1,795,207	1,795,207	-
Unrestricted Gifts	11,580	-	-	11,580	-
Investment Income	55,627	363,128	54,743	473,498	17,351
Total Non-Operating Revenues (Expenses)	(403,548)	363,128	1,849,950	1,809,530	17,351
Income (Loss) Before Transfers	(996,287)	(418,764)	883,453	(531,598)	1,572,752
Transfers Out	-	-	-	-	-
Transfers In	615,612	-	-	615,612	-
Change in net assets	(380,675)	(418,764)	883,453	84,014	1,572,752
Total net assets - beginning	13,732,985	11,984,493	598,396	26,315,874	(1,306,160)
TOTAL NET ASSETS - ENDING	\$ 13,352,310	\$ 11,565,729	\$ 1,481,849	\$ 26,399,888	\$ 266,592

The accompanying notes are an integral part of this financial statement.

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County of Beaver, Pennsylvania

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2008**

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Friendship Ridge</u>	<u>Health Choices</u>	<u>Non-Major Fund Emergency Services 911</u>
Cash Flows from Operating Activities:			
Cash receipts for services provided	\$ 51,931,477	\$ 25,941,032	\$ 1,446,878
Other operating cash receipts	176,764	-	-
Cash payments to suppliers	(25,659,423)	(26,916,403)	(1,805,542)
Cash payments to General Fund	-	-	-
Cash payments to employees	<u>(23,873,045)</u>	<u>(567,106)</u>	<u>-</u>
Net Cash Provided by (Used in) Operating Activities	2,575,773	(1,542,477)	(358,664)
Cash Flows from Capital and Related Financing Activities:			
Principal payments of long-term debt	(1,037,296)	-	-
Interest payments on long-term debt	(82,722)	-	-
Expenses for property, facilities and equipment	<u>(753,369)</u>	<u>(23,829)</u>	<u>(1,055,376)</u>
Net Cash Used In Financing Activities	(1,873,387)	(23,829)	(1,055,376)
Cash Flows from Non-capital Financing Activities:			
Grants	<u>-</u>	<u>-</u>	<u>1,795,207</u>
Net Cash Used in Noncapital Financing Activities	-	-	1,795,207
Cash Flows from Investing Activities:			
Investment income	<u>67,207</u>	<u>363,128</u>	<u>54,743</u>
Net Cash Provided by Investing Activities	67,207	363,128	54,743
 Net increase (decrease) in cash and cash equivalents	769,593	(1,203,178)	435,910
Cash and cash equivalents at beginning of year	<u>73,739</u>	<u>13,922,401</u>	<u>2,170,077</u>
Cash and cash equivalents at end of year	<u><u>\$ 843,332</u></u>	<u><u>\$ 12,719,223</u></u>	<u><u>\$ 2,605,987</u></u>
 Non-cash capital financing activities:			
Change in fair value of investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
In-kind transfers in	<u><u>\$ 615,612</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

EXHIBIT A (PAGE 1 OF 4)

<u>Total</u>	<u>Internal Service Funds</u>
\$ 79,319,387	\$ 9,524,958
176,764	-
(54,381,368)	(8,403,478)
-	(569,514)
<u>(24,440,151)</u>	<u>-</u>
674,632	551,966
(1,037,296)	-
(82,722)	-
<u>(1,832,574)</u>	<u>-</u>
(2,952,592)	-
<u>1,795,207</u>	<u>-</u>
1,795,207	-
<u>485,078</u>	<u>17,351</u>
485,078	17,351
2,325	569,318
<u>16,166,217</u>	<u>79,383</u>
<u>\$ 16,168,542</u>	<u>\$ 648,701</u>
\$ -	\$ -
\$ -	\$ -

EXHIBIT A (PAGE 2 OF 4)

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

(Continued)

For the Year Ended December 31, 2008

	Business-type Activities - Enterprise Funds		
	Friendship Ridge	Health Choices	Non-Major Fund Emergency Services 911
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating income (loss)	\$ (592,739)	\$ (781,892)	\$ (966,497)
Non-cash adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	1,429,322	6,152	220,018
Discount on bond payable	23,416	-	-
Amortization of deferred loss on refunding and discount	18,520	-	-
Transfer in from General Fund	615,612	-	-
Change in estimated ICSI liability	-	(747,458)	-
Change in operating assets and liabilities:			
Accounts receivable	(267,684)	94,677	21,199
Inventories	3,874	-	-
Prepaid expenses	(37,004)	(444,103)	(266,479)
Accounts payable and interfund payable	825,629	(78,187)	153,095
Deferred credits	(162)	-	-
Accrued liabilities	556,989	408,334	-
Deferred income	-	-	480,000
 Net Cash Provided by (Used in) Operating Activities	 <u>\$ 2,575,773</u>	 <u>\$ (1,542,477)</u>	 <u>\$ (358,664)</u>

Non-cash investing, capital, and financing activities:

During 2008, Friendship Ridge acquired approximately \$915,000 of fixed assets from proceeds of bonds payable placed in an account of the County's General Fund.

Disclosure of Accounting Policy:

For purposes of the Statement of Cash Flows, the County considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents.

<u>Total</u>	<u>Internal Service Funds</u>
\$ (2,341,128)	\$ 1,555,400
1,655,492	-
23,416	-
18,520	-
615,612	-
(747,458)	-
(151,808)	(25,217)
3,874	-
(747,586)	(3,200)
900,537	(569,514)
(162)	-
965,323	(405,503)
480,000	-
<u>\$ 674,632</u>	<u>\$ 551,966</u>

EXHIBIT A (PAGE 4 OF 4)

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2008

	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 3,589,399	\$ 3,259,727
Investments:		
Common and Preferred Stocks	72,804,716	-
U.S. Government Obligations	35,442,441	297,849
Corporate Bonds	27,502,590	-
Interest in Limited Partnership	9,336,600	-
Interest in Common/Collective Trusts	10,585,444	-
Receivables	1,335,443	5,715
Interest and Dividends Receivable	748,336	-
TOTAL ASSETS	<u>\$ 161,344,969</u>	<u>\$ 3,563,291</u>
LIABILITIES		
LIABILITIES		
Accounts Payable	\$ -	\$ 3,531,057
Due to other funds	-	32,234
TOTAL LIABILITIES	<u>-</u>	<u>3,563,291</u>
NET ASSETS		
Held in trust for pension benefits and other purposes	<u>161,344,969</u>	<u>-</u>
TOTAL NET ASSETS	<u>\$ 161,344,969</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended December 31, 2008

	<u>Pension Trust Fund</u>
ADDITIONS:	
Contributions:	
Member Contributions	\$ 5,070,902
County Contributions	<u>1,887,756</u>
Total Contributions	<u>6,958,658</u>
Net Investment Income:	
Net Depreciation in Fair Value of Investments	(47,868,685)
Interest and Dividends	<u>7,420,577</u>
Less: Investment Management and Actuarial Fees	<u>537,417</u>
Total Investment Income - net	<u>(40,985,525)</u>
Total	<u>(34,026,867)</u>
DEDUCTIONS:	
Benefits Paid	7,989,888
Administrative Expense	<u>178,240</u>
Total Deductions	<u>8,168,128</u>
Change in Net Assets	(42,194,995)
Net Assets - Beginning	<u>203,539,964</u>
Net Assets - Ending	<u>\$ 161,344,969</u>

The accompanying notes are an integral part of this financial statement.

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County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County of Beaver, Pennsylvania (the County), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The significant accounting policies are described below.

1. Organization and Reporting Entity

The organization of the County and the basis of the reporting entity are presented below to assist the reader in evaluating the financial statements and the accompanying notes.

The County was founded as a subdivision of the Commonwealth of Pennsylvania under Title XVI of the Pennsylvania Statutes. The County operates under the commissioner-administrator form of government and provides the following services as authorized by Pennsylvania's County Code: public safety, judicial, medical, human services, economic development, and culture and recreation.

In accordance with Governmental Accounting Standards Board (GASB) Statements No. 14 and No. 39, the County has evaluated all related entities (authorities, commissions, and affiliates) for possible inclusion in the financial reporting entity.

Discretely Presented Component Units

The component unit columns in the government-wide financial statements include individual financial data for the Beaver County Transit Authority (BCTA) and the Community College of Beaver County (CCBC). Financial information of these units is reported in separate columns to emphasize that they are legally separated from the County. They are component units because their boards are appointed by the County Commissioners and they receive significant operating subsidies from the County. Complete and more detailed financial statements can be obtained from:

Beaver County Transit Authority
200 W. Washington Street
Rochester, PA 15074

Community College of Beaver County
Controller's Office
One Campus Drive
Monaca, PA 15061

The reporting period for BCTA and CCBC is as of and for the year ended June 30, 2008.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1. **Organization and Reporting Entity** - Continued

Discretely Presented Component Units - Continued

Summary of Significant Accounting Policies for BCTA

General Policy - The financial statements of BCTA have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. BCTA applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements.

Basis of Accounting - BCTA accounts for expenses using the accrual method of accounting. Grant revenue is recognized when the corresponding grant purpose expenditure is made. Grant monies received or receivable before the revenue recognition criteria have been met are reported as unearned revenue. BCTA's practice is to record grants as a receivable and unearned revenue at the time the grants are awarded. Passenger fares are recorded when received. All other revenues are recognized when earned. Assets are depreciated using the straight-line method over their estimated useful lives.

Summary of Significant Accounting Policies for CCBC

General Policy - CCBC prepares its financial statements in accordance with generally accepted accounting principles for public colleges and universities as outlined by GASB. In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds," CCBC applies all GASB and FASB pronouncements, Accounting Principle Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements. Interfund activity within CCBC has been eliminated in the preparation of the financial statements.

Basis of Accounting - Assets are depreciated using the straight-line method over their estimated useful lives.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1. **Organization and Reporting Entity** - Continued

Related Organizations

The Board of Commissioners is responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. These organizations include the:

- Beaver County Agricultural Land Preservation Board
- Beaver County Area Chamber of Commerce
- Beaver County Conservation District
- Beaver County Economic Development Authority
- Beaver County Hospital Authority
- Beaver County Housing Authority
- Beaver County Industrial Development Authority
- Beaver County Job Training
- Beaver County Redevelopment Authority
- Pennsylvania Finance Authority
- Southwestern Pennsylvania Commission
- Workforce Investment Board

During the year ended December 31, 2008, the County entered into certain transactions with the Beaver County Economic Development Authority and Pennsylvania Finance Authority, as further described in Note J.

2. **Government-Wide Financial Statements and Fund Financial Statements**

Government-wide Statements: The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Activities of the internal services funds are eliminated to avoid "doubling up" revenues and expenses. All other internal activities, such as interfund reimbursements, are treated as a reduction of the appropriate expense. Fiduciary funds are also excluded from the government-wide financial statements.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2008 and June 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

2. Government-Wide Financial Statements and Fund Financial Statements - Continued

Government-wide Statements - Continued

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the County and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financed or draws from the general revenues of the County. Certain indirect costs are included in the program expense reported for individual functions and activities.

Net assets are reported as restricted when constraints placed on the net assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws, regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net assets restricted for other purposes result from special revenue funds and the restrictions on their net asset use.

When both restricted and unrestricted resources are available for use, it is County policy to use restricted resources first and then unrestricted resources as they are needed.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each of them displayed in a separate column.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

2. **Government-Wide Financial Statements and Fund Financial Statements** - Continued

Fund Financial Statements - Continued

The County reports the following governmental funds as major:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Mental Health / Mental Retardation. This fund is responsible for serving the needs of the County's mentally or behaviorally challenged citizens.

Children and Youth. The purpose of this fund is to protect and care for children who have been abused, neglected, exploited, abandoned, adjudicated delinquent, or are without proper parental supervision, such as runaways.

Community Development. This fund accounts for the activities of the Community Development Program of Beaver County (CDP). The CDP's mission is two-fold: to improve the living conditions of low-income individuals and to aid in the elimination of slum and blight.

2007 Capital Projects Fund. This fund is used to account for all purchases made using the proceeds of the General Obligation Bond Series A of 2007.

The County reports the following major enterprise funds:

Friendship Ridge. This fund is used to account for the County-owned long-term health care facility that accommodates County citizens.

HealthChoices. HealthChoices is a program sponsored by the Commonwealth of Pennsylvania and administered by the County to meet the needs of low income individuals with behavioral health problems.

All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

3. Fund Types

In accordance with generally accepted accounting principles applicable to governmental units, the accounts of the County are organized and operated on the basis of individual funds. The operations of each fund are accounted for by providing a separate set of self-balancing accounts comprised by assets, liabilities, fund balances, revenues, and expenditures or expenses. A description of the purpose and function of each type of fund presented in the accompanying financial statements follows.

GOVERNMENTAL FUND TYPES

The General Fund is used to account for all financial transactions not accounted for in the fund types listed below. This includes items such as the receipt and expenditure of the general tax levy and fees of general offices.

Special Revenue Funds are used to account for the proceeds and expenditures of specific revenue sources or to finance special activities in accordance with statutory or administrative requirements. This includes designated revenues not included within other fund categories.

Capital Project Funds are used to account for financial resources designated for the acquisition or construction of major capital assets (other than those financed by proprietary fund types).

PROPRIETARY FUND TYPES

An Enterprise Fund is used to account for operations that are financed and operated in a manner similar to that found in the private sector, where the intent of the County is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges. Friendship Ridge, Emergency Services 911, and Beaver County HealthChoices Behavioral Health Program (HealthChoices) are recorded as enterprise funds.

Internal Service Funds account for operations that provide services to other departments or agencies of the County on a cost reimbursement basis. These funds account for the employees' self-insured medical health benefits and workers' compensation claims of the County.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

3. Fund Types - Continued

FIDUCIARY FUND TYPES

Fiduciary Funds are used by the County to account for assets held on behalf of outside parties or on behalf of other funds. These funds currently include the pension trust fund and the agency funds.

The Pension Trust Fund is accounted for in essentially the same manner as a proprietary fund and it accounts for the activities of the Beaver County Employees' Pension Plan.

Agency Funds are custodial in nature and do not involve measuring results of operations. They are used to account for cash collected by elected row officers, support payments collected by Domestic Relations and delinquent real estate tax payments collected by Tax Claim.

4. Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues, expenditures, expenses and transfers, and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The primary effect of internal activity has been eliminated from the government-wide financial statements.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

4. Basis of Accounting and Measurement Focus - Continued

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available to finance expenditures of the fiscal period. Revenues are considered available when they are expected to be collected within sixty days of year-end. As of December 31, 2008, the County deferred approximately \$3,680,000 because these monies were not yet considered available. Expenditures and transfers out are generally recognized under the accrual basis of accounting when the related liability is incurred, except for compensated absences and financing costs/interest on general long-term debt, which is recorded when the payment is due.

The financial statements of agency and proprietary funds are presented on the accrual basis of accounting. Under this method of accounting, all revenues are recorded when earned and all expenses are recorded when the liability is incurred. As permitted by GASB Statement No. 20, the County applies all GASB pronouncements, as well as FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with or contradict GASB pronouncements, in accounting for its enterprise funds. An enterprise fund may choose to apply all FASB Statements and Interpretations issued after November 30, 1989 (except those that conflict with or contradict GASB pronouncements) or it may apply none of them. The County chose to apply only GASB pronouncements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing and producing services in connection with a proprietary fund's ongoing revenues. The principal operating revenues of the County's proprietary funds are discussed in the next section. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

4. **Basis of Accounting and Measurement Focus** - Continued

The Pension Trust Fund and the agency funds' financial statements are also prepared using the accrual basis of accounting. Employee and employer contributions are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the pension plan. Administrative costs provided by outside vendors are recorded when incurred, whereas costs for services provided by the County are not recorded on the financial statements of the Pension Trust Fund.

The Pension Trust Fund and the agency funds' investments are reported at fair value. Investments traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Other investments are valued based on their liquidation amounts as estimated by the investment fund's management. Investment income is recognized as earned. Gains and losses on sales and exchanges are recognized on the transaction date.

5. **Revenues**

Property taxes collected by the Treasurer within sixty days subsequent to December 31 are recorded as revenue on the Statement of Revenues, Expenditures and Changes in Fund Balances in the previous year ended.

Federal and state grants are recognized as revenues in the period the related expenditures are incurred, if applicable, or when the County is entitled to the grants. However, these grants are subject to audits and adjustments by grantor agencies. Grant revenues received for expenditures which are disallowed are repayable to the grantor. Management has presented these statements based upon their understanding of restrictions on the revenues recognized.

Revenue recognized by HealthChoices is based on the number of eligible members within the County, paid monthly at a contracted rate with Pennsylvania's Department of Public Welfare.

The receivable balances presented in the accompanying Combining Balance Sheet are recorded at net realizable value.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

5. **Revenues** - Continued

Resident fees of Friendship Ridge are recognized in the period in which the services are provided. A significant portion of Friendship Ridge's services are provided to patients under hospitalization or other health related benefit contracts with third parties. Such contracts generally provide Friendship Ridge with reimbursement at amounts other than Friendship Ridge's normal billing rates. Differences between amounts reimbursed and standard billing rates are adjusted through the provision for contractual allowances. Friendship Ridge may also receive incentive payments from state and federal programs. These payments are credited to the provision for contractual allowances when received.

6. **Deferred, Unavailable and Unearned Revenues**

Under the modified accrual basis of accounting, revenue is not recognized until it is available to liquidate liabilities of the current period; under full accrual accounting, revenue must be recognized as soon as it is earned. Assets received on or prior to the financial statement date for which the revenue recognition requirements have not been met, are posted as unearned revenue on both the Statement of Net Assets and the Balance Sheet for Governmental Funds. Certain payments received by the County are considered unearned and not subject to revenue recognition under either the full or modified accrual basis. Other items reported as unearned revenue on the Balance Sheet for Governmental Funds are not recognized as revenue because they are not available to liquidate liabilities of the current period.

7. **Expenditures**

Capital asset purchases relating to non-proprietary fund type assets are included in current year expenditures in governmental funds and are capitalized on the government-wide Statement of Net Assets. Interest on non-proprietary fund debt is expensed on the Statement of Revenues, Expenditures and Changes in Fund Balances when paid or payment is due.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

8. Cash, Cash Equivalents, Restricted Cash, and Investments

The County maintains numerous checking accounts for depositing receipts and disbursing expenditures for all governmental fund types. In addition, the County maintains several accounts in the Pennsylvania Local Government Investment Trust (PLGIT) and the Pennsylvania Treasurer's Invest Program for Local Governments (Invest Program), which earn interest. Funds are transferred to PLGIT and the Invest Program to utilize the surplus of cash, which would otherwise remain idle in the County's checking accounts. The balances maintained in these pooled investment accounts represent the individual interest of each representative fund in the pooled accounts and are recorded at cost, which approximates fair value.

HealthChoices' restricted cash represents deposits the County is required to maintain in order to meet certain contractual provisions of grantor agencies.

Investments of the Pension Trust Fund are either stated at fair value as determined from prices available in public markets or at estimated liquidation value as determined by investment fund managers.

For purposes of the accompanying Statement of Cash Flows, the County considers all highly liquid investments with a maturity of three months or less when acquired, including restricted cash, to be cash equivalents regardless of any restrictions.

The County uses derivative transactions for hedging and speculative purposes. Derivatives are exposed to several risks, such as credit risk (the risk of default by the counterparty), market risk (such as the possible adverse effect of a change in interest rates), and legal risk (exposure to an adverse determination concerning the legality of the transactions).

9. Supplies

Supplies of Friendship Ridge consist of expendable materials stated at cost which is determined by the first-in-first-out method.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

10. Prepaid Expenses

In both the government-wide and fund financial statements, prepaid expenses are recorded as assets in the specific governmental fund in which future benefits will be derived. The prepaid expenses in the fund financial statements are recognized under the consumption method and they consist primarily of prepaid provider fees in Mental Health /Mental Retardation.

11. Capital Assets

The accounting and reporting applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets that have been acquired for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized in the government-wide Statement of Net Assets. All capital assets are recorded at cost, if known, or at estimated historical cost. Donated capital assets are recorded at their fair market value on the date of the donation. With the exception of the enterprise funds, the County uses a threshold of \$2,000 for recording substantially all capital assets. Enterprise funds treat all items with an estimated useful life exceeding one year as capital assets. All infrastructure placed into service after 1980 is capitalized. Depreciation on capital assets recorded in the government-wide Statement of Net Assets is computed using the straight-line method over the estimated useful lives of the related assets.

Estimated useful lives for the County's classes of reported capital assets are as follows:

Vehicles	5 years
Buildings and Land Improvements	40 years
Furniture, Fixtures and Equipment	10 years
Computer Software	5 years
Computer Hardware	6 years
Infrastructure	50 years

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized in the government-wide Statement of Net Assets or in the proprietary funds. Major renewals or betterments are capitalized as additions.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

11. **Capital Assets** - Continued

Depreciation of Enterprise Fund property, plant and equipment is computed using the straight-line method over the estimated useful lives of the related assets.

12. **Compensated Absences**

The vacation policy for substantially all of the County's employees provides that vacation earned from the prior year's service, granted to employees on January 1, must be taken by December 31 of that same year. Therefore, the accrual in the government-wide Statement of Net Assets represents what was earned through December 31, 2008, granted on January 1, 2009.

Employees, other than those mentioned below, may accumulate up to 100 days of sick leave. Sheriff's deputies may accumulate up to a maximum of 150 days of sick leave. Jail guards receive nine days of sick leave per year with no limit on the maximum number of days that can be carried into the next year. Children & Youth, Office on Aging, and Mental Health / Mental Retardation employees receive paid time off. These employees may accumulate up to a maximum of 45 days. Probation officers also receive paid time off and may accumulate up to a maximum of 50 days. If sick leave is not used, it is paid to retirement-eligible employees upon retiring. Accumulated sick leave as of December 31, 2008, that is estimated to be paid to employees upon retirement has been recorded in the government-wide Statement of Net Assets under Non-current Liabilities because the amount estimated to be paid during 2008 was determined to be insignificant.

13. **Accrued Healthcare Costs**

The HealthChoices Program accrues an estimate of its healthcare cost liability at the end of each accounting period. The estimate is developed using a process that accounts for the lag between the point in time that the payment is made for a service and the point in time that the County became liable for the service. The Program contracts with an independent actuary to certify this estimate. Subsequent payments are also reviewed to confirm the reasonableness of the estimate.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

13. Accrued Healthcare Costs - Continued

Accrued healthcare costs of the Internal Service Funds represent medical self-insurance claims. The medical claims liability is calculated using a completion factor based on claims history and the historical time lag between dates of service and the dates of payment.

14. Early Termination Benefits

Early termination benefits payable to former employees are recorded at their discounted present values using an annual discount rate of .505%.

15. Budgets

The County Board of Commissioners (Commissioners) annually adopts a formal budget for all of the Governmental Fund Types. The following procedures are followed in establishing the budgetary data reflected in the financial statements.

The County Controller submits the proposed budget to the Commissioners no less than thirty days prior to the adoption of the budget for the year beginning the following January 1. The proposed budget is adopted no later than December 31, with certain exceptions. Notice of the availability of the proposed budget for public inspection is made at least twenty days prior to the adoption of the final budget.

The Commissioners may at any time, by resolution, make supplemental appropriations for any lawful purpose from any funds on hand or estimated to be received within the fiscal year and not otherwise appropriated, including proceeds of any borrowing. Appropriations lapse at year-end if not recorded in the financial statements.

Appropriated budgets are adopted and presented on a modified accrual basis consistent with GAAP by fund, department and line-item. Line-items are specific revenues and expenditures, such as taxes, fees, salaries and supplies. This basis of accounting is the same as that used for the fund financial statements. Transfers of appropriations may be requested between line-items within a department or between departments within the same fund. All transfers of appropriations require the approval of the Commissioners. The legal level of control is exercised by fund and department, and management's level of control is at each line-item.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

15. **Budgets** - Continued

Formal budgetary review is employed as a management control during the year for the General Fund, the Special Revenue Funds and the Capital Project Funds. Budget amounts presented in the schedules and supplementary information accompanying the financial statements are as amended through December 31, 2008.

16. **Encumbrances**

The governmental fund types use encumbrance accounting, under which purchase orders and other commitments are recorded. Open encumbrances are reported as reservations of fund balances at year-end and do not constitute expenditures or liabilities since the commitments will be honored, re-appropriated and added to each department's subsequent year's budget.

17. **Net Assets**

HealthChoices Program

HealthChoices receives funds based on a contract between the County and the Commonwealth of Pennsylvania's Department of Public Welfare (Commonwealth). Per the contract, the County must maintain a restricted reserve for equity and a plan of insolvency. As of December 31, 2008, the County has met the equity requirement by maintaining \$1,500,000 in a separate bank account. Assets can be transferred from this account only with the permission of the Commonwealth. As of December 31, 2008, the County has also met the insolvency requirement by maintaining, at a minimum, the equivalent of sixty days worth of unpaid claims, which was determined by the Commonwealth to be \$3,164,341 in a separate bank account.

The contract also allows the County to maintain a reserve for risk and contingency in an amount not to exceed ninety days of unpaid claims. The County has met this reserve by restricting \$4,739,130 of cash and investments. Draw-down of these funds requires approval of the Commonwealth.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

17. **Net Assets** - Continued

HealthChoices Program - Continued

The County may also, with approval of the Commonwealth, reserve earnings for reinvestment in services that are for the primary benefit of medical assistance recipients. The total amount of this Reserve for Reinvestment was approximately \$13.9 million, of which approximately \$12.6 million has been approved by the Commonwealth as of December 31, 2008. Of the approved reinvestment money, approximately \$8.9 million has been spent on reinvestment services, leaving approximately \$3.7 million in restricted net assets. The County is currently devising and submitting reinvestment plans for the balance of these funds. The Commonwealth must approve the actual expenditures of these funds. All restrictions on net assets are imposed by laws or regulations of the Commonwealth.

Internal Service Funds

The internal service funds account for the self-insured employees' medical health expenses as well as the workers' compensation expenses.

During 2008, the County maintained a constant monthly medical premium charged for all 12 months to participating funds in order to reduce its medical internal service fund deficit. This was sufficient to cover this deficit. The County also kept the workers' compensation bi-weekly charge constant for all 26 pays in order to reduce this fund's deficit. This was sufficient to cover all of the fund's workers' compensation expenses.

18. **Pending Governmental Accounting Standards Board Pronouncements**

In June 2007, the GASB issued Statement No. 51, "Accounting and Financial Reporting for Intangible Assets". This statement standardizes accounting and financial reporting of certain intangible assets. This statement is effective for periods beginning after June 15, 2009.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

**18. Pending Governmental Accounting Standards Board Pronouncements
- Continued**

In November 2007, the GASB issued Statement No. 52, "Land and Other Real Estate Held for Investments by Endowments". This statement establishes consistent standards for the reporting of land and other real estate held as investments. It requires endowments to report their investments at fair value. This statement becomes effective for periods beginning after June 15, 2008.

In June 2008, the GASB issued Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments". This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. This statement becomes effective for periods beginning after June 15, 2009.

In February 2009, the GASB issued Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This statement establishes fund balance classifications based primarily on the extent to which a government is bound by constraints imposed upon them. This statement is effective for periods beginning after June 15, 2010.

The County has not determined the impact, if any, the application of the aforementioned statements will have on the County's financial statements.

19. Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect reported amounts. Actual results could differ from those estimates.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE B - PROPERTY TAXES

Property tax millage rates are set by a resolution of the Commissioners prior to January 1 of the current year, with certain exceptions. Taxes are payable in the beginning of the current fiscal year through April of the following fiscal year as approved by the Commissioners. After that date, the properties are liened and legal action is required to sell real property for tax proceeds.

The County is permitted, by the County Code, to levy real property taxes up to a maximum of twenty-five mills on every dollar of adjusted valuation.

Property tax revenues for the year ended December 31, 2008, are recorded on the Statement of Activities net of discounts of \$705,897 and inclusive of penalties amounting to \$174,082. Property tax receivables are stated net of allowance for uncollectible accounts. At December 31, 2008, the balance in the allowance for uncollectible taxes is \$2,998,298.

NOTE C - CASH DEPOSITS AND INVESTMENTS

Beaver County has not adopted a formal investment policy other than that pertaining to the Pension Trust Fund; however, all investment decisions are based upon legally binding statutes determined by the County Code. Statutes allow the County to invest in the following:

- United States Treasury bills
- Short-term obligations of the United States Government or the Commonwealth of Pennsylvania
- Deposits in savings accounts or time deposits of institutions having a place of business in the Commonwealth of Pennsylvania and insured or collateralized in accordance with Act 72
- Certificates of deposit limited to twenty per centum of capital and surplus if purchased from a commercial bank and limited to twenty per centum of assets minus liabilities if purchased from a savings and loan association, or other investments, collateralized by the aforementioned federal government securities

Investments

The County invests in certain Pooled Investment Funds which are managed by the Pennsylvania Local Government Investment Trust and the Invest Program. The fair value of the position in the PLGIT and the Invest Program are the same as the value of the pools' shares.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Investments - Continued

Since these investments have maturities that are less than three months, these amounts are classified as cash on the Balance Sheet which is pursuant to the County's accounting policy. An oversight committee headed by the Pennsylvania State Treasurer monitors the overall effectiveness of the Invest Program. PLGIT's Board of Trustees and its participants annually select an independent auditing firm to perform a financial audit of the Trust. The pools are composed of a diversified portfolio of short-term securities, repurchase agreements and certificates of deposit collateralized with U.S. Treasury securities, and obligations of the U.S. Government. The credit quality rating for PLGIT was "AAA" according to Standard and Poor's. The credit quality rating for Invest was "AAA" according to Fitch Ratings.

Cash Deposits

Cash deposits are exposed to custodial credit risk, which is the risk that a government may not recover the funds it placed in the custody of a counterparty (such as if the counterparty would enter bankruptcy proceeding). The County does not have a formal deposit policy for custodial credit risk. At December 31, 2008, Beaver County's deposits, except for the Pension Trust Fund, were either insured or collateralized with assets held by the pledging bank's trust department and not in the County's name. At December 31, 2008, the bank balance of the County's cash deposits was approximately \$24,400,000, of which approximately \$1,150,000 was insured. The remaining uninsured bank balance was collateralized in accordance with Act 72 of the Commonwealth of Pennsylvania State Legislature, which states that a depository must pledge assets to secure state and municipal deposits. The pledged assets must be equal to at least the total amount of the public deposits at the depository and may be on a pooled basis.

Pension Trust Fund

The County has a policy in place to define the types and the mix of investments that are commensurate with the goals of the Pension Trust Fund. The policy applies certain limitations on the amounts of domestic equities, international equities, fixed income investments, and cash equivalents that the fund may hold at any one time. All assets of the County's Pension Trust Fund, except for its interest in the limited partnership and common/collective trusts, were either insured or collateralized with assets held in the custodian's trust department.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Pension Trust Fund - Continued

Credit risk is the risk that investments may not be recovered from the counterparty due to bankruptcy, theft, or other occurrences. To mitigate this risk, the Beaver County Pension Trust Fund Investment Policy limits an investment in common stock in any one corporation to 5% of the total portfolio. For corporate bonds, the County's policy requires that bonds be rated at least "BBB" by the Standard and Poor's bond rating system.

Foreign currency risk is the risk that investments may lose value due to fluctuation of foreign currency exchange rates. All foreign equity investments are pooled investments managed by a single counterparty. As a result of the pooling of investments, the Pension Trust Fund does not own foreign securities but rather shares of the pooled investment fund.

As of December 31, 2008, the Pension Trust Fund's investments and cash deposits consisted of:

Investments

Common and Preferred Stocks	\$ 72,804,716
Interest in Common/Collective Trusts	10,585,444
Bonds and Notes:	
U.S. Government Notes	11,313,267
U.S. Government Agency Bonds	13,780,160
U.S. Government Mortgage Backed Securities	10,349,014
Corporate Bonds	27,502,590
Interest in Limited Partnership	9,336,600
	<hr/>
Total Investments	155,671,791
	<hr/>
Cash Deposits	3,589,399
	<hr/>
Total Cash Deposits and Investments	\$ 159,261,190

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Pension Trust Fund - Continued

Investments in bonds and notes and their respective weighted averages to maturity are as follows:

	<u>Amount at December 31, 2008</u>	<u>Weighted Average to Maturity (Years)</u>
Obligations Explicitly Guaranteed by the United States Government:		
U.S. Government Notes	\$ 11,313,267	8.33
Subtotal	<u>11,313,267</u>	
Other Obligations:		
U.S. Government Agency Bonds	13,780,160	12.57
U.S. Government Mortgage Backed Securities	10,349,014	23.60
Corporate Bonds	27,502,590	<u>13.89</u>
Subtotal	<u>51,631,764</u>	
Total	<u><u>\$ 62,945,031</u></u>	
Portfolio Weighted Average		<u><u>14.20</u></u>

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Pension Trust Fund - Continued

The bond ratings given to corporate bonds, except those explicitly guaranteed by the United States government, as determined by the Standard and Poor's bond rating system along with the amount invested by the Pension Trust Fund at December 31, 2008, are as follows:

<u>Bond Rating</u>	<u>Amount of Investment</u>
AAA	\$ 18,443,956
AA+	190,448
AA	2,236,911
AA-	1,137,445
A+	3,063,634
A	9,338,346
A-	2,180,165
BBB+	2,278,996
BBB	285,383
BBB-	1,412,263
Unrated Mortgage Backed Securities	11,064,217
Total	<u>\$ 51,631,764</u>

Component Unit - BCTA

At June 30, 2008, BCTA's cash and cash equivalents had a bank balance of \$2,020,315 and a book balance of \$1,927,497. The difference between the bank balance and the book balance represents year-end reconciling items such as deposits in transit and outstanding checks. The first \$100,000 held at Huntington Bank is insured through the Federal Deposit Insurance Corporation (FDIC).

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Component Unit - BCTA - Continued

Custodial credit risk is the risk that, in the event of a bank failure, BCTA's deposits may not be returned. BCTA does not have a formal policy for custodial credit risk. As of June 30, 2008, \$1,920,315 of BCTA's bank balance total is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in BCTA's name. At June 30, 2008, the cash deposits of BCTA consisted of:

Cash - FDIC insured	<u>\$ 100,000</u>
Collateralized by securities pledged to a pooled public funds account with the Federal Reserve	<u>1,920,315</u>
	<u>\$2,020,315</u>

These deposits are in accordance with Act Number 72-1971 Session of the Commonwealth of Pennsylvania.

Component Unit - BCTA

At June 30, 2008, CCBC's cash and cash equivalents had a bank balance of \$6,840,688 and a book balance of \$6,309,504. The difference between the bank balance and the book balance represents year-end reconciling items such as deposits in transit and outstanding checks. The first \$100,000 held at National City Bank is insured through the FDIC.

CCBC does not have a formal policy for custodial credit risk. As of June 30, 2008, \$6,740,688 of CCBC's bank balance total is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in CCBC's name. At June 30, 2008, the cash deposits of CCBC consisted of:

Cash - FDIC insured	<u>\$ 100,000</u>
Collateralized by securities pledged to a pooled public funds account with the Federal Reserve	<u>6,740,688</u>
	<u>\$6,840,688</u>

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Component Unit - CCBC - Continued

These deposits are in accordance with Act Number 72-1971 Session of the Commonwealth of Pennsylvania.

CCBC's investments at June 30, 2008, were composed of the following:

	<u>Fair Value</u>
Treasury Obligations	\$ 879
Repurchase Agreements	<u>23,806,663</u>
	23,807,542
Investments held by Foundation	<u>408,858</u>
	<u>\$ 24,216,400</u>

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008

NOTE D - RECEIVABLES AND PAYABLES

Receivables at December 31, 2008 were as follows:

	Accounts Receivable	Taxes	Due From Other Governments	Other	Total Receivables
Governmental Activities					
General Fund	\$ -	\$ 5,980,390	\$ 1,058,175	\$ 1,155,232	\$ 8,193,796
MH/MR	-	-	606,991	288,670	895,661
Children & Youth	-	-	4,411,841	3,060	4,414,901
Community Development	-	-	388,298	8,442	396,740
Non-major Governmental Funds	-	-	1,005,226	59,776	1,065,002
Workers' Comp. Internal Service	-	-	-	48,944	48,944
Medical Internal Service	-	-	-	10,617	10,617
Allowance for Doubtful Accounts	-	5,980,390	7,470,531	1,574,740	15,025,661
	-	(2,998,298)	-	-	(2,998,298)
Total - Governmental Activities	-	2,982,092	7,470,531	1,574,740	12,027,363
Business-type Activities					
Friendship Ridge	\$ 9,891,424	\$ -	\$ -	\$ -	\$ 9,891,424
HealthChoices	89,722	-	-	-	89,722
Other Proprietary	90,866	-	-	-	90,866
Total - Business-type Activities	10,072,012	-	-	-	10,072,012
Primary Government Total	\$ 10,072,012	\$ 2,982,092	\$ 7,470,531	\$ 1,574,740	\$ 22,099,375
Component Units					
BCTA	\$ -	\$ -	\$ 2,336,350	\$ 25,366	\$ 2,361,716
CCBC	\$ -	\$ -	\$ 814,050	\$ 263,800	\$ 1,077,850

Payables at December 31, 2008, consisted of amounts due to vendors for goods and services provided to the County.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2008 and June 30, 2008

NOTE E - INTERFUND BALANCES AND TRANSFERS

Interfund Balances

The County reports interfund balances among all of its funds. The balances for non-major governmental and business-type activities are aggregated into a single column or row. The total of all balances agrees with the sum of interfund balances presented in the Statements of Net Assets Proprietary Funds and the Balance Sheet for Governmental Funds.

		Interfund Payable							
		2007							
	General Fund	Children & Youth	MH/MR	Community Development	Capital Projects Fund	Other Non-major Governmental	Business Type	Total Assets	
General Fund	\$ -	\$ 2,105,824	\$ 127,328	\$ 48,532	\$ -	\$ 563,035	\$ 139,019	\$ 2,983,738	
Children & Youth	-	-	-	-	-	-	-	-	
MH/MR	1,320,629	-	-	-	-	-	-	1,320,629	
Friendship Ridge	-	-	-	-	4,194,456	-	-	4,194,456	
Courtroom Improvement	220,560	-	-	-	-	-	-	220,560	
Total Liabilities	\$ 1,541,189	\$ 2,105,824	\$ 127,328	\$ 48,532	\$ 4,194,456	\$ 563,035	\$ 139,019	\$ 8,719,383	

Interfund Receivable

The following is a summary of the interfund payables and receivables outstanding at December 31, 2008:

Children & Youth's balance due to the General Fund includes quarterly administrative reimbursements of \$1,986,445, while the remaining \$119,379 is due to a time lag of payment dates between funds. The amount that the General Fund owes Children & Youth constitutes County matches required by certain grant agreements.

The amounts due from the General Fund to the MH/MR Fund represent remaining County matches for 2008. Additionally, MH/MR made a loan to the General Fund equaling \$1,060,000 that was outstanding as of December 31, 2008. This loan was repaid with interest as of January 2, 2009.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008

NOTE E - INTERFUND BALANCES AND TRANSFERS - (Continued)

The \$4,194,456 due from the 2007 Capital Projects Fund to Friendship Ridge represents the remaining balance of the proceeds from the General Obligation Bond Series A of 2007 that were allocated to Friendship Ridge.

The amount due from the General Fund to the Courtroom Improvement Fund represents 2008 excess revenue over expenditures in the DUI Program.

The Other Non-major Governmental Funds column contains a loan of \$47,000 to the Victim Witness Fund.

Business-type Fund transfers consist of \$121,798 due from the Emergency Services 911 Fund for their fourth quarter salary expense reimbursement while the remaining \$17,221 is due to a time lag of payment dates between the HealthChoices Fund and the General Fund.

All remaining balances resulted from the time lag of payment dates between funds.

Interfund Transfers

Interfund transfers for the year ended December 31, 2008, consisted of the following:

	<u>Transfer From</u>	
	<u>General Fund</u>	<u>Total</u>
<u>Transfer To</u>		
Courtroom Improvement Fund	\$ 250,899	\$ 250,899
Friendship Ridge	615,612	615,612
Total	<u>\$ 866,511</u>	<u>\$ 866,511</u>

The \$250,899 transfer from the County's General Fund to the Courtroom Improvement Fund consists of monies remaining in the DUI Program, revenues over expenditures, at December 31, 2008.

The \$615,612 transfer from the County's General Fund to Friendship Ridge consists of all in kind services that Beaver County provided and allocated to Friendship Ridge.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT

During 1996, the County contracted with an appraisal company to provide a detailed capital asset listing that included acquisition cost and acquisition year. The dates of acquisition and acquisition costs were either furnished by the County or estimated using reverse-trending techniques applied against the estimate of current replacement cost. The actual or estimated historical cost determined by the appraisal and transactions that occurred subsequent to the appraisal are reported in the government-wide Statement of Net Assets.

Depreciation and amortization was charged to functions as follows:

Governmental Activities:

General Government	\$ 993,194
Judicial	203,150
Public Safety	655,254
Public Works and Enterprise	1,444,190
Culture, Recreation, and Conservation	244,041
Human Services	1,070,157
Economic Development	<u>46,756</u>
Total	<u>\$ 4,656,742</u>

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008

NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT - (Continued)

The following is a summary of changes in capital assets for governmental activities during 2008:

	January 1, 2008	Additions	Disposals	December 31, 2008
Not being Depreciated:				
Construction in Progress	\$ -	\$ 1,375,582	\$ -	\$ 1,375,582
Land	1,874,354	-	-	1,874,354
	<u>1,874,354</u>	<u>1,375,582</u>	<u>-</u>	<u>3,249,936</u>
Other Capital Assets:				
Buildings and Improvements	83,134,711	1,051,331	-	84,186,042
Vehicles	2,575,763	220,316	-	2,796,079
Furniture and Equipment	15,320,980	925,135	(672,707)	15,573,408
Infrastructure	34,084,276	1,082,722	-	35,166,998
	<u>135,115,730</u>	<u>3,279,504</u>	<u>(672,707)</u>	<u>137,722,527</u>
Accumulated Depreciation:				
Buildings and Improvements	(24,182,046)	(2,649,186)	-	(26,831,232)
Vehicles	(2,243,190)	(148,842)	-	(2,392,032)
Furniture and Equipment	(10,262,059)	(1,179,201)	635,393	(10,805,867)
Infrastructure	(9,583,876)	(679,513)	-	(10,263,389)
	<u>(46,271,171)</u>	<u>(4,656,742)</u>	<u>635,393</u>	<u>(50,292,520)</u>
Net Other Capital Assets	<u>88,844,559</u>	<u>(1,377,238)</u>	<u>(37,314)</u>	<u>87,430,007</u>
Net Capital Assets	<u>\$ 90,718,913</u>	<u>\$ (1,656)</u>	<u>\$ (37,314)</u>	<u>\$ 90,679,943</u>

The above assets as of December 31, 2008, include \$10,404,795 relating to capitalized leases and \$4,704,379 of associated accumulated amortization.

Construction in progress represents the costs of construction accumulated to date of the building to be acquired under the 911 Center capital lease (see Note J). Construction in progress includes capitalized interest of \$88,383.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT - (Continued)

Depreciation and amortization was charged to functions as follows:

Business-type Activities:	
Friendship Ridge	\$ 1,429,322
HealthChoices	6,152
Emergency Services 911	<u>220,018</u>
Total	<u>\$ 1,655,492</u>

The following is a summary of changes in capital assets for Business-type Activities during 2008:

	Balance at January 1, 2008	Additions	Disposals	Balance at December 31, 2008
Not being Depreciated:				
Land	\$ 42,075	\$ -	\$ -	\$ 42,075
Construction in Progress	<u>39,212</u>	<u>472,119</u>	<u>-</u>	<u>511,331</u>
	<u>81,287</u>	<u>472,119</u>	<u>-</u>	<u>553,406</u>
Other Capital Assets:				
Buildings and Improvements	14,209,372	559,945	-	14,769,317
Furniture and Equipment	<u>29,184,525</u>	<u>1,717,617</u>	<u>(57,776)</u>	<u>30,844,366</u>
	<u>43,393,897</u>	<u>2,277,562</u>	<u>(57,776)</u>	<u>45,613,683</u>
Accumulated Depreciation:				
Buildings and Improvements	(7,352,822)	-	-	(7,352,822)
Furniture and Equipment	<u>(22,939,563)</u>	<u>(1,655,492)</u>	<u>57,776</u>	<u>(24,537,279)</u>
	<u>(30,292,385)</u>	<u>(1,655,492)</u>	<u>57,776</u>	<u>(31,890,101)</u>
Net Other Capital Assets	<u>13,101,512</u>	<u>622,070</u>	<u>-</u>	<u>13,723,582</u>
Net Capital Assets	<u>\$ 13,182,799</u>	<u>\$ 1,094,189</u>	<u>\$ -</u>	<u>\$ 14,276,988</u>

Included under the caption Depreciation and Amortization on the Statement of Revenues, Expenses and Changes in Net Assets Proprietary Funds is amortization of capitalized bond financing costs and a discount on a bond payable by Friendship Ridge.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT - (Continued)

Component Unit- BCTA

The following is a summary of BCTA's property accounts as of June 30, 2008:

		<u>Estimated Useful Lives</u>
Land	\$ 3,286,120	N/A
Buildings and Improvements	14,124,795	30
Tangible Transit Operating Property	12,499,204	5 - 12
Furniture and Equipment	1,626,990	4 - 5
	<u>31,537,109</u>	
Less Accumulated Depreciation	<u>(10,355,082)</u>	
	<u>\$ 21,182,027</u>	

Depreciation expense for the year ended June 30, 2008, amounted to \$2,144,164.

Component Unit - CCBC

The following is a summary of CCBC's property accounts as of June 30, 2008:

		<u>Estimated Useful Lives</u>
Land	\$ 204,425	N/A
Land Improvements	747,863	20
Buildings and Improvements	20,496,616	25 - 50
Vehicles	206,753	8 - 10
Furniture and Equipment	7,173,709	5 - 20
	<u>28,829,366</u>	
Less Accumulated Depreciation	<u>(17,012,039)</u>	
	<u>\$ 11,817,327</u>	

Depreciation expense for the year ended June 30, 2008, amounted to \$819,864.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE G - EMPLOYEE RETIREMENT PLAN

1. Plan Description

The County sponsors the Beaver County Employees' Pension Plan (the Plan), a single-employer, defined benefit pension plan covering substantially all of its employees. The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. Administration of the Plan is provided by the Beaver County Employees' Retirement Board (Retirement Board), consisting of the Board of County Commissioners, the County Controller, and the County Treasurer. Cost-of-living adjustments are provided at the discretion of the Retirement Board. All administrative costs are paid by the Plan.

The Plan is established, administered, and funded under the authority of the "County Pension Law," Act 96 of 1971, as amended, enacted by the General Assembly of the Commonwealth of Pennsylvania. There is no stand-alone financial report of the Plan and the Retirement Board does not issue a public report including the Plan.

As of January 1, 2009, the date of the last available actuarial report, employee membership data related to the pension plan was as follows:

Retirees and Beneficiaries Currently Receiving Benefits	613
Terminated Employees not yet Receiving Benefits	58
	<u>671</u>
Active Plan Participants:	
Vested	1,034
Non-vested	409
	<u>1,443</u>

The Plan provides pension benefits for normal retirement at age sixty or at age fifty-five with twenty or more years of completed service. This is based on a formula including final average salary and years of credited service, in addition to the member's accumulated contribution to the Plan. Early retirement is available at an earlier age as specified by the Plan. Members become vested after five years of service.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

2. Funding Policy, Annual Pension Cost, Net Pension Obligation and Contributions

The Plan requires participants to contribute a minimum of 9%, but not more than 19%, of their salary depending on the participant's employment class, wage and on current actuarial determinations. All full-time and part-time employees expected to complete 1,000 hours of service in a twelve-month period when employed are required to participate in the Plan.

The Plan funding policy provides for periodic employer contributions at actuarially determined rates that are necessary to accumulate sufficient assets to pay benefits when due. The annual pension cost for 2008 was determined as part of an actuarial valuation as of January 1, 2008, using the aggregate actuarial cost method.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. However, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In December 2005, the County issued the Federally Taxable General Obligation Pension Bond, Series of 2005 (see Note J), to reduce volatility of future pension contributions. Because of this, the County carries an asset on its balance sheet equal to actuarially determined remaining benefit of these proceeds.

The annual pension cost and net pension obligation (asset) for the current year were as follows:

Annual Required Contribution	\$ 1,887,756
Interest on Net Pension Asset	(795,145)
Adjustment to the Annual Required Contribution	1,258,323
Annual Pension Cost	<u>2,350,934</u>
Contributions Made	1,887,756
Increase in Net Pension Obligation	<u>463,178</u>
Net Pension Obligation (Asset), Beginning of Year	(10,601,932)
Net Pension Obligation (Asset), End of Year	<u><u>\$ (10,138,754)</u></u>

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

2. Funding Policy, Annual Pension Cost, Net Pension Obligation and Contributions - Continued

Three-year Trend Information:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
December 31, 2008	\$ 2,350,934	80%	\$ (10,138,754)
December 31, 2007	\$ 2,579,720	82%	\$ (10,601,932)
December 31, 2006	\$ 2,496,888	81%	\$ (11,068,541)

The information presented above was determined as part of the actuarial valuations for the years indicated. The additional information is for all years presented unless otherwise indicated.

Actuarial cost method	Aggregate actuarial
Asset valuation method	Five-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.5%
Amortization Method	n/a
Amortization Period	n/a
Projected salary increase	4.00% in 2006; 4.25-4.5% in 2007; 4.5% in 2008
Inflation adjustment	3.0%
Cost-of-living adjustment	100.0% of CPI effective as of January 1, 2000

3. Funded Status and Funding Progress

The aggregate actuarial cost method is used to determine the annual required contribution for the plan. Because this method does not identify or separately amortize unfunded actuarial liabilities, information relating to the amortization period and method are not available. Information about funded status is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status of the plan.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

3. Funded Status and Funding Progress - Continued

The funded status as of January 1, 2009, which is the most recent actuarial valuation date, is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
1/1/2009	\$ 179,461,719	\$ 208,134,895	\$ 28,673,176	86.2%	\$ 56,786,835	50.5%

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

4. Reserves

Under Act 96 of 1971, the Plan is required to maintain the following reserves:

Member Annuity Reserve Account: This reserve represents the total contributions deducted from the salaries of the active and terminated vested members of the retirement system together with accumulated interest additions. At January 1, 2009, the balance in this account was \$64,901,130 and it was fully funded.

County Annuity Reserve Account: This account represents the reserves set aside for the payment of the County's share of the retirement allowances. When a retirement annuity is scheduled to commence, sufficient monies are transferred from the County Annuity Reserve Account to the Retired Members' Reserve Account to provide for such an annuity. As of January 1, 2009, the balance in this account was \$50,636,137 and it was funded to the extent of the 2008 APC.

Retired Members' Reserve Account: This is the account from which monthly retirement allowances, including cost-of-living increases and death benefits, are paid. As of January 1, 2009, the balance in this account amounted to a fully funded \$50,754,170.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

Component Unit - CCBC

CCBC participates in a cost sharing defined benefit multiple-employer Public School Employees' Retirement System (PSERS) established under and administered by the authority of the Public School Employees' Retirement Code Act No. 96 of October 2, 1975, as amended (24 Pa. C.S. 8101-8535). PSERS is a component unit of the Commonwealth of Pennsylvania. A brief summary of the plan's provisions are as follows:

- Pension Benefits -** Eligible participants are entitled to a normal retirement allowance totaling 2.5% of the participants' final average compensation, as defined, multiplied by the number of years of credited service. Full vesting is reached after ten years of credited service. The plan provides for retirement, death and disability benefits, legislatively mandated ad hoc cost-of-living adjustments, and healthcare insurance premium assistance to qualifying annuitants. Early retirement is an additional feature of this plan.
- Retirement Age -** Participants may retire with normal benefits at age sixty-two, age sixty with thirty or more years of service, or with thirty-five years of service regardless of age.
- Death Benefits -** When a participant dies in active service after attaining age sixty-two or ten years of service, the beneficiary is entitled to a death benefit equal to the benefit which would have been effective if the member retired on the day before death.
- Disability Benefits -** A participant who becomes disabled after completing five years of credited service is eligible for an annuity totaling 2.5% of the final average salary, as defined, multiplied by the number of years of credited service, but not less than one-third of such salary, nor greater than the benefit the member would have had at normal retirement age.

The employer and employee obligations to contribute are established by authority of the aforementioned Public School Employees' Retirement Code and require contributions by active members, participating employers, and the Commonwealth.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

Component Unit - CCBC - Continued

Contributions required of employers are based upon an actuarial valuation. For the fiscal year ended June 30, 2008, the rate of employer contribution was 7.13% of covered payroll. This rate is comprised of a 0.69% rate for health insurance premium assistance and a pension contribution rate of 6.44%.

Pension expense for CCBC for the year ended June 30, 2008, totaled \$67,329 based on a total covered payroll of \$1,891,726. Active members who joined the System prior to July 22, 1983, contribute at 5.25% (Member Class TC) or at 6.5% (Member Class TD) of the member's qualifying compensation. Members who joined the System on or after July 22, 1983, and who were active or inactive as of July 1, 2001, contribute at 6.25% (Member Class TC) or at 7.5% (Member Class TD) of the member's qualifying compensation. Members who joined the System after June 30, 2001, contribute at 7.5% (automatic Member Class TD). CCBC employees contributed \$136,309 to the PSERS for the year ended June 30, 2008.

The PSERS issues a comprehensive annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained by writing to Diane J. Wert, Office of Financial Management and Budget, Public School Employees' Retirement System, P.O. Box 125, Harrisburg, PA 17108-0125.

This publication is also available on the PSERS website at www.psers.state.pa.us/publications/cafr/index.htm.

NOTE H - DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan established in accordance with Internal Revenue Code Section 457. The Beaver County, PA Deferred Compensation Plan No. 638001 (the Plan), a single employer defined contribution plan, is available to substantially all County employees, and permits them to defer a portion of their compensation until future years. The Plan's administrator is The Standard Financial Group Inc., previously Invesmart of Pittsburgh Inc. For the year ended December 31, 2008, total employee contributions amounted to \$295,854. There were no employer contributions for this same period. Participation in the Plan is optional. The deferred compensation is not available for withdrawal until termination, retirement, death or an unforeseeable emergency. During 1997, the County placed all assets of the Plan in a custodial account. As a result, and in accordance with GASB Statement No. 32, the Plan's assets have been removed from the County's Agency Fund.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE H - DEFERRED COMPENSATION PLAN - (Continued)

Component Unit - BCTA

BCTA maintains the Beaver County Transit Authority's Simplified Employees Pension Plan, a single-employer defined contribution plan. Plan provisions and contribution requirements are established and may be amended under provisions of Section 408 of the Internal Revenue Code. BCTA is the plan's administrator and it agrees to contribute annually a percentage of the participants' salaries, but not exceeding the federally mandated maximum for such a plan. All full-time employees who earn at least \$400 in any three of the last five calendar years are eligible to participate in the plan. Participants are not required to contribute to the plan. BCTA's contributions amounted to approximately \$100,984 for the year ended June 30, 2008. Plan assets are invested in a diversified portfolio that consists of debt and equity securities.

Component Unit - CCBC

CCBC established a Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA-CREF), under Section 403 (b) of the Internal Revenue Code, for eligible employees. This TIAA-CREF is a single-employer defined contribution plan administered by CCBC. Under the plan, individual contracts are entered into for covered employees. Employees are fully vested, and the contract fully funded, in accordance with the terms of the contract. Employee contributions are 5% of covered compensation. Employer contributions vary according to compensation levels and the employees' position at CCBC. During the year ended June 30, 2008, CCBC contributed \$504,219 to this retirement plan.

NOTE I - SHORT-TERM DEBT

On January 2, 2008, the County entered into a tax revenue anticipation note agreement with a financial institution for the purpose of meeting current expenditures. The note provided for borrowings of \$8,000,000 bearing interest at an annual rate of 4.86%. From these proceeds, \$2,500,000 was transferred to Friendship Ridge. This facility repaid the \$2,500,000 by December 19, 2008. All outstanding principal and accrued interest was satisfied by December 29, 2008, prior to the note's maturity date of December 31, 2008.

Beginning Balance at			Ending Balance at
<u>January 1, 2008</u>	<u>Borrowings</u>	<u>Repayments</u>	<u>December 31, 2008</u>
\$-	8,000,000	(8,000,000)	\$-

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE I - SHORT-TERM DEBT - (Continued)

Component Unit - BCTA

BCTA entered into a \$500,000 demand line of credit agreement with a financial institution on February 20, 2004. The terms of the agreement include interest payable monthly on the outstanding balance at a rate of 4%. BCTA has pledged certain federal and state grant proceeds as collateral for this obligation. There are no outstanding balances as of June 30, 2008.

Component Unit - CCBC

On July 28, 2004, CCBC entered into a working capital line of credit note for \$1,500,000. The terms of the note outline two variable rates of interest based in part on the London Interbank Offering Rate. The general revenues of CCBC serve as collateral on this note. There is no outstanding balance on this line of credit as of June 30, 2008.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008

NOTE J - LONG-TERM LIABILITIES

The following summarizes the long-term debt activity for the year ended December 31, 2008:

	<u>Interest</u> <u>Rate</u>	<u>Issued</u>	<u>Maturity</u>	<u>January 1,</u> <u>2008</u>	<u>Issuance</u>	<u>Retirements</u>	<u>Interest/</u> <u>Amortization</u>	<u>December 31,</u> <u>2008</u>
<u>Governmental Activities</u>								
<u>General Obligation Bonds</u>								
Construction Fund	Variable	5/16/1986	9/1/2010	\$ 2,255,669	\$ -	\$ (860,000)	\$ 165,834	\$ 1,561,503
Series A of 2003	1.15-2.15	7/1/2003	7/1/2008	962,406	-	(980,000)	17,594	-
Series A of 2005	2.50-4.25	7/28/2005	9/1/2025	2,505,000	-	-	-	2,505,000
Series A of 2007	3.65-4.30	11/17/2007	11/1/2024	3,223,342	-	-	2,345	3,225,687
Series B of 2007	Variable	11/1/2007	10/1/2026	59,061,093	-	(585,000)	7,970	58,484,063
				<u>68,007,510</u>	<u>-</u>	<u>(2,425,000)</u>	<u>193,743</u>	<u>65,776,253</u>
<u>Other General Long-Term Liabilities</u>								
Pension Bond of 2005	4.75-5.65	12/22/2005	12/15/2030	13,355,000	-	-	-	13,355,000
PFA Series A of 2005	3.75-5.60	5/27/2005	10/1/2029	3,085,000	-	(80,000)	-	3,005,000
PFA Series A of 2006	3.70-4.00	9/28/2006	10/1/2015	3,015,443	-	-	1,679	3,017,122
PFA Series B of 2006	5.25-5.40	9/28/2006	10/1/2015	2,026,592	-	-	2,298	2,028,890
PFA 2006 Bonds	3.45-4.00	10/15/2006	9/1/2022	3,686,170	-	(195,000)	16,496	3,507,666
PFA Series 2007	6.00-6.10	5/15/2007	12/1/2011	455,000	-	(105,000)	-	350,000
				<u>25,623,205</u>	<u>-</u>	<u>(380,000)</u>	<u>20,473</u>	<u>25,263,678</u>
<u>Total Governmental Activities</u>				<u>\$ 93,630,715</u>	<u>\$ -</u>	<u>\$ (2,805,000)</u>	<u>\$ 214,216</u>	<u>\$ 91,039,931</u>

Note: The General Obligation Bonds issued May 1986 are stated at the present value of their required future payments.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008

NOTE J - LONG-TERM LIABILITIES - (Continued)

	<u>Interest Rate</u>	<u>Issued</u>	<u>Maturity</u>	<u>Payable January 1, 2008</u>	<u>Issuance</u>	<u>Retirements</u>	<u>Accrued Interest/ Amortization</u>	<u>Payable December 31, 2008</u>
<u>Business-type Activities</u>								
<u>General Obligation Bonds</u>								
Series of 1998	3.45-4.25	11/15/1998	1/15/2013	2,998,772	-	(465,000)	13,746	2,547,518
Series B of 2003	1.15-3.20	7/1/2003	7/1/2013	879,138	-	(140,000)	-	739,138
Series A of 2007	3.65-4.30	11/17/2007	11/1/2024	5,599,678	-	-	7,670	5,607,348
				9,477,588	-	(605,000)	21,416	8,894,004
<u>Other General Long-Term Liabilities</u>								
PFA Series A of 2006	3.70-4.00	9/28/2006	10/1/2015	290,000	-	-	-	290,000
<u>Total Business-type Activities</u>								
				\$ 9,767,588	\$ -	\$ (605,000)	\$ 21,416	\$ 9,184,004

The following is a brief description of the outstanding debt issues of the

The following is a brief description of the outstanding debt issues of the County:

Governmental

Construction Fund

In May of 1986, the County issued \$16,270,000 of General Obligation Bonds, Series of 1986, for the purpose of funding capital projects. Of this total amount, \$7,670,000 borne interest at rates ranging from 4.75% to 7.5% and was paid over the period from 1986 until it was advance-refunded in 1993. The remaining part of this series, in the amount of \$8,600,000, was issued as zero coupon bonds, yielding a principal amount of \$1,980,674. This series is being retired in semi-annual payments of \$430,000, which started in 2001 and will continue through 2010. The discount rate on the zero coupon bonds was determined at the time of issue, ranging from 7.678% to 7.955%.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE J - LONG-TERM LIABILITIES - (Continued)

Series A of 2003

During 2003, the County issued \$5,375,000, with a discount of \$10,737, in General Obligation Bonds, Refunding Notes, Series A of 2003, with interest rates ranging from 1.15% to 2.15% to, in part, advance refund \$5,020,000 of the outstanding General Obligation Bonds, Refunding Series A of 1993.

Proceeds of \$5,132,414 were deposited in an escrow account to provide for the future debt service of the Refunding Series A of 1993, which was called as of October 2003. As a result of this advance refunding, the County increased its debt service by \$89,789. However the County did obtain an economic gain, which is the difference between the present values of the old and new debt service payments, of \$172,677.

Series A of 2005

On July 28, 2005, the County issued \$3,125,000 in General Obligation Bonds, Series A of 2005, to finance various capital projects planned by the County. Interest is payable semi-annually at coupon rates varying between 2.50% and 4.25%. The bonds mature in installments starting in 2006 and ending in 2025. Principal payments range from \$300,000 to \$815,000. An optional redemption feature is included for bonds maturing on or after September 1, 2010. Mandatory bond sinking fund redemptions are required for certain maturities due on or after September 1, 2016.

Series A of 2007

During November 2007, the County issued \$9,000,000 in General Obligation Bonds, Series A of 2007, to fund various capital projects throughout the County. Of the total bond issue, the County was obligated to repay \$3,289,430 and Friendship Ridge will repay the remaining \$5,710,570. Interest is paid annually at coupon rates ranging from 3.65% to 4.30%. The bonds mature in installments beginning in 2014 and ending in 2024.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE J - LONG-TERM LIABILITIES - (Continued)

Series B of 2007

In 1997, the County issued \$61,060,000 of General Obligation Bonds, Series of 1997 (the 1997 Bonds), for the purpose of refunding the General Obligation Bonds, Series of 1996. These bonds mature in various lots from 1999 through 2026, payable annually. Interest is paid semi-annually at rates ranging from 4.0% to 5.3%. On November 1, 2007, the County issued \$59,200,000 in General Obligation Bonds, Series B of 2007, which were used to defease the remaining balance of the 1997 Bonds. The amount of debt refinanced and considered defeased as a result of this issuance was \$58,125,000, while \$933,619 was used to pay bond issuance costs. These bonds yield a variable interest rate, which is paid monthly and is determined by a third party with the purpose of aligning the bonds' interest rate to market conditions. When the bond was issued, this rate equaled 3.45%. Had this rate remained constant throughout the life of the bond, this transaction would have resulted in decreased debt service payments of \$13,300,000 and a net economic gain of \$9,400,000. As of December 31, 2008, the variable rate of this bond was 5.00% and \$58,470,000 of defeased debt remains outstanding. The maximum interest rate allowed under this variable rate bond agreement is 12.00%. Under the worst case scenario, this refunding bond issuance could have resulted in increased debt service payments of \$48,800,000 and a net economic loss of \$28,200,000.

Pension Bond of 2005

On December 22, 2005, the County issued \$13,675,000 of Federally Taxable General Obligation Pension Bonds, Series of 2005, with the intent of reducing volatility in annual required contributions to the County's retirement system. The proceeds of these bonds, net of issuance costs and discounts, were contributed to the County retirement system's trust fund. Interest is payable semi-annually in a range of rates between 4.75% and 5.65%. Principal matures in installments starting in 2007 and throughout 2030. Principal payments range from \$320,000 to \$4,530,000. Mandatory bond sinking fund requirements take place for principal maturities after December 25, 2015.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE J - LONG-TERM LIABILITIES - (Continued)

PFA Series A of 2005

The County entered into a loan agreement with the Pennsylvania Finance Authority (the PFA) on May 27, 2005, in the amount of \$3,240,000. The majority of these proceeds were granted to a local performing arts center for construction. The County's payments under this loan agreement equal the debt service requirements on the PFA's Federal Taxable Guaranteed Revenue Bonds, Series A of 2005, of which the County is a guarantor. The interest rates range from 3.75% through 5.60%. Mandatory bond sinking fund requirements for certain principal redemptions take effect starting in 2008. Effective October 1, 2015, and thereafter, the County has the right to extinguish any or all debt outstanding through this loan agreement with the PFA.

PFA Series A & B of 2006

During September 2006, the County entered into a loan agreement with the PFA for \$5,360,000. Net proceeds of this loan were used for a combination of current and advance refundings that resulted in an in-substance defeasance of the following portions of long-term debt previously recorded by the County:

<u>Debt Issue</u>	<u>Amount Refunded</u>	<u>Recorded In</u>
1997 Bonds	\$2,145,000	Governmental Activities
Series A of 2003	1,100,000	Governmental Activities
Series B of 2003	265,000	Business-type Activities

The refunding also satisfied payments of \$1,714,155 associated with the defeased debt. The County's payments under this loan agreement equal the debt service requirements on the PFA's County of Beaver Guaranteed Revenue Bonds, Series A of 2006 (the PFA Series A of 2006), as well as the PFA's Federally Taxable County of Beaver Guaranteed Revenue Bonds, Series B of 2006 (the PFA Series B of 2006), in addition to periodic charges in terms of bond administration fees. The County guarantees payments under both series issued by the PFA. The interest rates for this loan range from 3.70% to 5.40%. The transaction defeasing the maturities presented above resulted in increased debt service payments for the County of \$1,739,428 and an economic loss of \$284,531. As of December 31, 2008, no defeased debt remains outstanding.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE J - LONG-TERM LIABILITIES - (Continued)

PFA 2006 Bonds

During February 2002, the County entered into a loan agreement with the PFA to borrow \$4,325,000 for the purpose of building a parking garage adjacent to the Courthouse. The County's payments under this loan agreement match the debt service requirements on the PFA's Guaranteed Revenue Bonds, Series B of 2002, of which the County is a guarantor. Effective October 15, 2006, this loan agreement with the PFA has been amended for a total of \$3,980,000.

Under this loan agreement the County will pay the PFA's obligation under its Guaranteed Revenue Bonds, Series B of 2006 (the PFA 2006 Bonds), which is guaranteed by the County. This transaction resulted in the in-substance defeasance of the long-term debt issue undertaken with the PFA in 2002, creating an economic gain of \$387,886. Cash outflows to service the debt under the PFA 2006 Bonds are \$69,308, less than the remaining debt service payments under the 2002 loan. Interest on the new loan with the PFA is payable semiannually at a rate that varies according to the terms of the agreement between 3.45% and 4.00%. Principal is payable annually starting in 2007 and ending on September 1, 2022. This loan is depicted on the schedule of long-term debt activity at December 31, 2008, which is approximately \$3,500,000. This amount is reported as a liability on the Statement of Net Assets, Governmental Activities, and the difference between its carrying amount and the outstanding face value, consists of unamortized original issue discount and deferred loss on refunding. Defeased principal still outstanding at December 31, 2008, under the PFA's Guaranteed Revenue Bonds, Series B of 2002, amounts to \$3,380,000.

PFA Series 2007

The County entered into a loan agreement with the PFA on May 15, 2007, in the amount of \$455,000. All of the proceeds of this agreement were used to refinance debt originally issued by the Community College of Beaver County. The County's payments under this loan agreement equal the debt service requirements on the PFA's Federally Taxable Series of 2007. The interest rates range from 6.00% through 6.10%. Mandatory bond sinking fund payments, ranging from \$105,000 through \$125,000, take effect in 2008 and continue through bond maturity on December 1, 2011.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE J - LONG-TERM LIABILITIES - (Continued)

Business-type

Series of 1998

In November 1998, the County issued \$6,250,000 of General Obligation Bonds, Refunding Series of 1998, for the purpose of refunding the General Obligation Bonds, Series of 1996, Geriatric Center (a series distinct from the Series of 1996 mentioned above). None of this defeased debt remains outstanding. These bonds mature annually in various lots through 2013. Interest is paid semi-annually at rates ranging from 3.45% to 4.25%. The advance refunding resulted in a reacquisition price that exceeded the net carrying amount of the defeased debt by \$247,446. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being expensed through maturity using the straight-line method.

Series B of 2003

During 2003, the County issued \$1,405,000 of General Obligation Bonds, Series B of 2003, with interest rates ranging from 1.15 % to 3.20%, to fund capital projects at Friendship Ridge. These bonds mature in annual lots from 2003 through 2013. Bonds maturing after October 1, 2008, can be redeemed at par plus accrued interest at the option of the County.

Changes in the rate of interest payable on the various outstanding bonds are determined by the applicable bond indentures, except for the General Obligation Bonds, Series B of 2007, as noted above.

Series A of 2007

This bond issuance was split between Friendship Ridge and other governmental activities. See preceding governmental bond descriptions for detail of this issuance.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE J - LONG-TERM LIABILITIES - (Continued)

The following schedule presents the approximate principal amount of each long-term debt issue due within one year of the date of these financial statements:

<u>Governmental Activities</u>	
Construction Fund	\$ 860,000
Series A of 2003	-
Series A of 2005	325,000
Series A of 2007	2,000
Series B of 2007	1,480,000
Pension Bond of 2005	335,000
PFA Series A of 2005	80,000
PFA Series A of 2006	-
PFA Series B of 2006	340,000
PFA 2006 Bonds	200,000
PFA Series 2007	110,000
Total	<u>\$ 3,732,000</u>
<u>Business-type Activities</u>	
Series of 1998	\$ 485,000
Series B of 2003	140,000
Series A of 2007	5,000
PFA Series A of 2006	-
Total	<u>\$ 630,000</u>
Total Primary Government	<u>\$ 4,362,000</u>

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008

NOTE J - LONG-TERM LIABILITIES - (Continued)

The aggregate amount of debt service requirements during the next five years and thereafter is as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2009	\$ 3,736,827	\$ 4,531,727	\$ 628,174	\$ 379,941	\$ 4,365,001
2010	3,873,655	4,334,815	656,347	355,899	4,530,002
2011	4,018,655	4,132,020	681,347	330,449	4,700,002
2012	4,097,310	3,932,278	707,694	303,636	4,805,004
2013	4,299,137	3,729,508	740,868	275,824	5,040,005
2014-2018	24,353,146	15,208,877	1,702,345	1,114,992	26,055,491
2019-2023	28,050,253	9,007,742	3,329,393	641,758	31,379,646
2024-2028	16,925,446	2,342,062	739,836	39,981	17,665,282
2029-2034	2,190,000	180,403	-	-	2,190,000
	<u>\$ 91,544,430</u>	<u>\$ 47,399,433</u>	<u>\$ 9,186,004</u>	<u>\$ 3,442,480</u>	<u>\$ 100,730,434</u>
Unamortized Interest	(158,285)	158,285	-	-	(158,285)
Deferred Loss/Discounts	<u>(346,214)</u>	<u>346,214</u>	<u>-</u>	<u>-</u>	<u>(346,214)</u>
	<u>\$ 91,039,931</u>	<u>\$ 47,903,932</u>	<u>\$ 9,186,004</u>	<u>\$ 3,442,480</u>	<u>\$ 100,225,935</u>
					<u>\$ 51,346,412</u>

Note: The assumed interest rate for the GOB Series B of 2007 variable rate bond issue was 5.00% which equals the interest rate of the bonds at December 31, 2008.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008

NOTE J - LONG-TERM LIABILITIES - (Continued)

The following summarizes other long-term obligation activity for the year ended December 31, 2008:

	<u>Payable at January 1, 2008</u>	<u>Increase</u>	<u>Decrease</u>	<u>Payable at December 31, 2008</u>	<u>Due within one year</u>
<i>Governmental Activities</i>					
Capital Lease Obligations	\$ 8,122,387	\$ -	\$ 257,166	\$ 7,865,221	\$ 264,389
Compensated Absences	469,196	266,966	-	736,162	108,000
Early Termination Benefits	262,473	255,132	185,548	332,057	102,825
Advances on Capital Leases	-	1,375,582	-	1,375,582	-
2006 Swap Agreement	<u>11,229,326</u>	<u>6,302,042</u>	<u>-</u>	<u>17,531,368</u>	<u>850,000</u>
	20,083,382	8,199,722	442,714	27,840,390	1,325,214
<i>Business-type Activities</i>					
Capital Lease Obligations	<u>114,224</u>	<u>-</u>	<u>35,327</u>	<u>78,897</u>	<u>38,179</u>
	114,224	-	35,327	78,897	38,179
Total County-wide	<u>\$ 20,197,606</u>	<u>\$ 8,199,722</u>	<u>\$ 478,041</u>	<u>\$ 27,919,287</u>	<u>\$ 1,363,393</u>

Typically, long-term liabilities reported by governmental activities, other than those arising from the issuance of bonds or other long-term debt agreements, are liquidated by the funds incurring such liabilities.

Capital Lease Obligations

The County has recorded the following assets in the government-wide Statement of Net Assets under capital lease obligations:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Land	\$ 392,984	\$ -
Buildings	8,306,820	-
Equipment	329,409	78,897
Construction in Progress	1,375,582	-

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations - Continued

Human Services Building Lease

The County entered into a lease agreement with the PFA during 2002. The lease is for a building to consolidate office locations of the County's Human Services agencies. Construction of this building was financed by the PFA's issue of \$7,865,000 of Guaranteed Lease Revenue Bonds, Series A of 2002. The County is the guarantor of this bond issue and the minimum lease payments over the lease term. The monthly payment under this lease amounts to \$43,812. The County shall have the right to acquire title to the property for no additional consideration at the earlier of the expiration of the lease or when the bond issue related to the financing of this building is no longer outstanding. This lease agreement was amended effective October 15, 2006, as a consequence of the refunding of the PFA's Guaranteed Lease Revenue Bonds, Series A of 2002. The amended lease payments cover the debt service of the PFA's \$7,995,000 issue of the Guaranteed Lease Revenue Bonds, Series A of 2006, which the County guarantees.

The outstanding balance of this capital lease obligation at December 31, 2008, is \$7,015,000. This amount is recorded as a liability in the Statement of Net Assets, Governmental Activities. The difference between the recorded amount and the face value of the issued debt consists of retired maturities on the lease and an amount treated as future interest costs when accounting for capital leases. The agreement also requires the County to pay for bond maintenance fees, real estate taxes, and other miscellaneous lease-related charges. Defeased principal still outstanding at December 31, 2008, under the PFA's Guaranteed Lease Revenue Bonds, Series A of 2002, amounts to \$7,015,000.

Community Development Building Lease

A second lease agreement was entered into in 2002 between the County and the City of Beaver Falls. The lease is for a building to house the Community Development Program of Beaver County and a parking lot. Remaining lease payments as of December 31, 2008, amount to approximately \$565,000 for a term ranging through September 2026. Payments under this lease are due quarterly at \$8,000 each. The building's title transfers to the County upon expiration of the lease at no additional cost.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations - Continued

Land

A land lease for the aforementioned buildings is in effect with the PFA. The lease calls for monthly payments through September 2026, amounting to a total of approximately \$510,000 remaining as of December 31, 2008. Payments are due monthly at \$2,400 each. The County acquires title to the land upon expiration of the lease at no additional cost.

Conservation Building Lease

On May 15, 2005, the County entered into an agreement of lease and sublease with the PFA for a building known as the Conservation Building. The County received \$700,000 from the PFA as a prepayment of its lease obligation. The agreement further provides for the County to sublease the Conservation Building from the PFA. Minimum lease payments under the sublease as of December 31, 2008, amount to \$1,252,500 with semiannual installments ranging from \$2,006 to \$77,006. Any or all payments due on or after October 2015 may be prepaid at the option of the County. In addition, the County has leased this facility to another party. This transaction was recorded by the County as a disposal. Payments under this lease approximate the PFA's debt service requirements on its Federally Taxable Guaranteed Revenue Bonds, Series B of 2005. The County guarantees the payment of this bond issue.

Equipment Leases

Beginning in 2005, Friendship Ridge began leasing digital reproduction equipment for a five-year term. A bargain purchase option is available to the County at the end of the lease term. Minimum lease payments as of December 31, 2008, amount to \$129,559 with monthly installments of \$3,586.

The County entered into a capital lease agreement in 2007 for computer equipment used throughout the County's facilities. This lease began March 2007 and will continue through June 2011. A bargain purchase option is available to the County at the end of the lease term. Minimum lease payments as of December 31, 2008, amount to \$320,317 with quarterly installments of \$22,880.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations - Continued

911 Center Lease

The County entered into a capital lease agreement with the Beaver County Economic Development Authority in November 2008 for the acquisition of land and construction for a building to house the Beaver County 911 Center. This lease began in November 2008 and will continue through August 2025. A bargain purchase option is available to the County at the end of the lease term. Upon occupancy of the lease property, the minimum lease payments are expected to be approximately \$18,181,986 with semi-annual installments beginning in February 2011 ranging from \$50,000 to \$1,200,000. As of December 31, 2008, the construction of the property to be leased was not complete and therefore only an amount equal to the construction in progress at December 31, 2008 is recorded as an obligation of the County.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations - Continued

The following schedule summarizes future minimum lease payments due:

	<u>Governmental Activities</u>			<u>Business-type Activities</u>	
	<u>Buildings</u>	<u>Land</u>	<u>Equipment</u>	<u>Office Equipment</u>	<u>Total Minimum Lease Payments</u>
2009	\$ 559,205	\$ 28,800	\$ 91,521	\$ 43,026	\$ 722,552
2010	557,030	28,800	91,521	39,990	717,341
2011	559,380	28,800	45,760	3,517	637,457
2012	556,020	28,800	-	-	584,820
2013	557,245	28,800	-	-	586,045
2014-2018	2,790,255	144,000	-	-	2,934,255
2019-2023	2,786,800	144,000	-	-	2,930,800
2024-2028	2,722,925	79,200	-	-	2,802,125
2029-2034	1,575,800	-	-	-	1,575,800
	12,664,660	511,200	228,802	86,533	13,491,195
Less: Interest	(5,349,687)	(177,759)	(11,995)	(7,636)	(5,547,077)
Present Value	\$ 7,314,973	\$ 333,441	\$ 216,807	\$ 78,897	\$ 7,944,118

The interest rates used to calculate the amount representing interest costs were obtained from the individual lease agreements. The blended interest rate used for governmental activities was approximately 4.5% and for Business-type Activities the rate was approximately 8.0%.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations - Continued

Minimum lease payments due within one year are reported as follows in the government-wide Statement of Net Assets:

				<u>Business-type</u>	<u>Total</u>
	<u>Buildings</u>	<u>Land</u>	<u>Equipment</u>	<u>Activities</u>	<u>Minimum Lease</u>
					<u>Payments</u>
2009 Payment	\$ 559,205	\$ 28,800	\$ 91,521	\$ 43,026	\$ 722,552
Less: Interest	(390,095)	(16,701)	(8,341)	(4,847)	(419,984)
Present Value	<u>\$ 169,110</u>	<u>\$ 12,099</u>	<u>\$ 83,180</u>	<u>\$ 38,179</u>	<u>\$ 302,568</u>

2006 Swap Agreement

During September 2006, the County entered into an agreement with a counterparty that terminated two previous derivative instruments and replaced them with an interest rate management plan that extends over the life of the 1997 Bonds. Under this agreement (the 2006 Swap Agreement), the County agreed to and has:

- Terminated the derivative agreements that were outstanding in 2006
- Refunded the total outstanding principal under the 1997 Bonds as of October 1, 2007 at a variable rate

The payment relationships defined by the 2006 Swap Agreement are as follows:

- The County will pay a counterparty interest, on a monthly basis, at a rate of 5.24% per annum on the outstanding 1997 Bonds until the original maturity of the 1997 Bonds.
- The County will receive interest, from a counterparty, at a variable rate based on the Bond Market Association Municipal Swap Index (the BMA), on the outstanding 1997 Bonds until the original maturity of the 1997 Bonds. Interest will be calculated annually and payable monthly, as further described in the 2006 Swap Agreement.
- The County will pay interest to a counterparty at a variable rate based on the BMA on the outstanding 1997 Bonds until the original maturity of the 1997 Bonds, calculated on a yearly basis and payable monthly, as further described in the 2006 Swap Agreement.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE J - LONG-TERM LIABILITIES - (Continued)

2006 Swap Agreement - Continued

- The County will receive interest, from a counterparty, at a variable rate based on the U.S. Dollar International Swap Dealers Association (ISDA) Swap Rate. These payments are also based on the outstanding 1997 Bonds as further described in the 2006 Swap Agreement.
- The County will receive interest, from a counterparty, at a variable rate based on the International Swaps and Derivatives Association, Inc. Swap Rate (the ISDA) on the outstanding 1997 Bonds until the original maturity of the 1997 Bonds. This interest is calculated on a yearly basis and paid monthly.

The 2006 Swap Agreement is stated at fair value, calculated using the zero-coupon method. The amount of loss recognized for changes in fair value on the Statement of Activities for the 2006 Swap Agreement is recorded as investment loss and amounts to \$6,302,042. Certain events in the 2006 Swap Agreement are described as "events of default." These events triggered, according to the 2006 Swap Agreement, the termination of this agreement. The 2006 Swap Agreement also includes optional termination provisions for the County. In all cases, termination payments may be required by either party, as calculated by one of two methods described in the agreement. One of these methods involves a market quotation by a party dealing in securities, such as those included in the 2006 Swap Agreement.

As further described in Note N, subsequent to December 31, 2008, the County opted to exercise an early termination clause in the 2006 Swap Agreement.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE J - LONG-TERM LIABILITIES - (Continued)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Due within one year:		
Obligations under bond issuances	\$ 3,732,000	\$ 630,000
Obligations under capital leases	264,389	38,179
Compensated absences	108,000	-
Early termination benefits	102,874	-
2006 Swap agreement	<u>850,000</u>	<u>-</u>
Total	<u>\$ 5,057,263</u>	<u>\$ 668,179</u>
Due in more than one year:		
Obligations under bond issuances	\$ 87,307,931	\$ 8,556,004
Obligations under capital leases	7,600,832	40,718
Compensated absences	628,162	-
Early termination benefits	229,182	-
Advances on Capital Leases	1,375,582	-
2006 Swap agreement	<u>16,681,368</u>	<u>-</u>
Total	<u>\$ 113,823,058</u>	<u>\$ 8,596,722</u>

Certain bond issuances of the County are subject to federal arbitrage regulations. The County does not feel that it is in violation of these arbitrage regulations. Additionally, Beaver County is subject to certain provisions of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania which limits the amount of debt that the County can issue. As of December 31, 2008, the County's legal debt margin is \$172,235,000 for non-electoral debt and \$222,646,000 for non-electoral and lease rental debt.

Liquidation of Long-term Liabilities

All outstanding long-term liabilities related to governmental activities have historically been liquidated as follows:

- Long-term debt, other than what is identified below, has been completely liquidated by the General Fund
- Capital lease obligations have been liquidated by the funds that realize the benefit of the financed asset:

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE J - LONG-TERM LIABILITIES - (Continued)

Liquidation of Long-term Liabilities - Continued

- The Human Services Building lease has been liquidated by the following funds: Mental Health / Mental Retardation, Children & Youth, Childcare Resource Management and Office on Aging.
- The Community Development Building lease has been fully liquidated by the Community Development Fund.
- All computer leases have been fully liquidated by the General Fund.
- Compensated absences have been liquidated by the following chart. The amount paid by each fund is based on benefits earned by the employees of that fund.

<u>Fund</u>	<u>Liquidation %</u>
General Fund	67%
Mental Health / Mental Retardation	11%
Children & Youth	8%
Community Development	1%
Other Governmental Funds	13%

- Early termination benefits have been mostly liquidated by the General Fund.
- 2006 Swap Agreement has been liquidated by the General Fund.

All business-type long-term liabilities have been liquidated by Friendship Ridge.

Component Unit - CCBC

On July 28, 2003, CCBC borrowed \$310,000 from National City Bank in the form of a Term Loan Note in order to finance the purchase of an ARRT Radar Simulator. The terms of the note call for the monthly payment of principal and interest of \$5,605 for a period of five years at an interest rate of 3.25%. The note is scheduled to mature on July 28, 2008. The equipment purchased serves as collateral on the note.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE J - LONG-TERM LIABILITIES - (Continued)

Component Unit - CCBC - Continued

On April 28, 2008, CCBC borrowed \$709,332 from National City Bank in the form of a Term Loan Note in order to finance the purchase of an ATC Simulator. The terms of the note call for the monthly payment of principal and interest of \$13,198 for a period of five years at an interest rate of 4.42%. The note is scheduled to mature on April 28, 2013. The equipment purchased serves as collateral on the note.

On August 30, 2005, CCBC signed a \$600,000 promissory note obligation with Parkvale Savings Bank for the upgrade of the Jenzabar computer information system. The terms of the note call for payment of principal and interest annually on October 1, beginning October 1, 2005, in the amount of \$129,727 for a period of five years at a rate of 4.05%.

In February 1998, the Pennsylvania Finance Authority issued \$9,195,000 in Community College Revenue Bonds - Series of 1998. In connection with the issuance of the Bonds, the PFA entered into a Loan Agreement with CCBC, whereby the Authority will loan the proceeds of the bonds to the College. The loan agreement requires CCBC to make loan repayments to the Authority in an amount sufficient to pay the debt service requirements of the Bonds. The obligation of CCBC under the loan agreement is evidenced by a signed general obligation promissory note dated as of February 1, 1998. The purpose of the bond issue was to refinance the Community College Revenue Bonds, Series A of 1994, to fund certain College expenditures, and pay for the costs of issuing the bonds. The PFA bonds were issued in denominations of \$5,000 with interest payable on June 1 and December 1 each year through maturity. Interest rates range between 3.60% and 4.875% with the bonds scheduled to mature December 1, 2019. The bonds provide early redemption options as detailed in the official statement of issue.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE J - LONG-TERM LIABILITIES - (Continued)

Component Unit - CCBC - Continued

In April 2007, the Pennsylvania Finance Authority issued \$27,780,000 in College Revenue Bonds - Series of 2007 to finance new construction, additions and renovations on the campus of CCBC. In connection with the issuance of the Bonds, the PFA entered into a Loan Agreement with CCBC, whereby the Authority will loan the proceeds of the bonds to the College. The loan agreement requires CCBC to make loan payments to the Authority in an amount sufficient to pay the debt service requirements of the Bonds. The obligation of CCBC under the loan agreement is evidenced by a signed general obligation promissory note dated April 15, 2007. The Authority bonds were issued in denominations of \$5,000 with interest payable on May 15 and November 15 each year through maturity. Interest rates range between 3.50% and 4.375% with the bonds scheduled to mature December 1, 2031. The bonds provide for early redemption options as detailed in the official statement of issue. CCBC has also advanced refunded the Series A of 1994 Community College Revenue Bonds. In doing so, the Pennsylvania Finance Authority entered into a irrevocable trust agreement with PNC Bank to purchase U.S. Government Securities in an amount sufficient to fully service the defeased 1994 Bond Issue debt as it matures or is called. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability of the College.

In connection with the refunding, the excess of the reacquisition price over the net carrying amount of refunded debt is recorded as a reduction to long-term debt on the balance sheet and amortized over the shorter of the term of the refunding issue of the refunded bonds. CCBC incurred a deferred refunding loss of \$569,680 which is being amortized over the life of the refunding issue using the straight-line method. During the year ended June 30, 2008, CCBC amortized \$26,092 of this loss which is shown as part of interest expense. The unamortized balance of \$297,886 at June 30, 2008, is deducted from the long-term portion of notes payable.

On March 2, 2007, CCBC entered into a lease agreement with National City Commercial Capital Company in order to finance the purchase of technology equipment in the amount of \$442,520. The terms of the lease agreement call for four annual payments of \$119,097 commencing on March 8, 2007 through March 8, 2010, at an interest rate of approximately 5.15%. The equipment purchased serves as collateral on the lease.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE J - LONG-TERM LIABILITIES - (Continued)

Component Unit - CCBC - Continued

CCBC currently leases copier equipment from Xerox for use in its publications department. The terms of the lease agreement dated August 1, 2006, call for monthly payments of \$11,744. Lease expense for the year ended June 30, 2008 was \$140,933. This lease is scheduled to terminate on July 31, 2011.

In June 2004, CCBC entered into a lease agreement with University Lease for computer equipment for a period of thirty-six months. The terms of the lease call for monthly payments of \$7,549. This lease terminated effective February 28, 2007 and was replaced with the capital lease mentioned above.

NOTE K - CONTINGENCIES

The County participates in a number of federal and state assisted grant programs. These grants are generally subject to program compliance audits by the grantors. Such audits could result in expenditures being disallowed and funds being due back to the grantor agencies. The amount of expenditures that may be disallowed in the future, if any, cannot be determined at this time.

The County is party to claims and other legal proceedings. Such claims and other legal proceedings include, but are not limited to, employment, civil right, personal injury matters and failure to develop a stormwater management plan. Management has provided for certain matters, where considered necessary, in the financial statements. For other claims, management is of the opinion that these matters will not have a material effect on the County's financial position.

Component Unit - BCTA

BCTA's state and federally funded programs are subject to audit by various governmental agencies. BCTA is potentially liable for any expenditures disallowed by the results of these audits. Management is not aware of any items of non-compliance which would result in the disallowance of program expenditures.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE K - CONTINGENCIES - (Continued)

Component Unit - CCBC

CCBC's state and federally funded programs are subject to audit by various governmental agencies. CCBC is potentially liable for any expenditure disallowed by the results of these audits. The Commonwealth of Pennsylvania's Office of Labor, Education and Community Services conducts annual audits of CCBC's Claim for Subsidy Reimbursement submitted annually to the Commonwealth. In January and March 2007, CCBC received a draft of the results of the audit for the years ended June 30, 2004 and 2005, respectively. The results of these audits reflect a balance due and owing the Commonwealth of Pennsylvania totaling \$20,220 for the year ended June 30, 2004, and \$180,293 for the year ended June 30, 2005. Management is currently reviewing the audit findings and preparing a formal response. Management is not aware of any additional items of non-compliance which would result in the disallowance of program expenditures.

CCBC is potentially liable for any costs of program non-compliance, not covered by commercial insurance, incurred by its Police Technology Program as a result of a program audit conducted by the Commonwealth of Pennsylvania. CCBC recorded an initial estimated liability of \$150,000 during the 2003-2004 fiscal year to cover these potential costs. As of June 30, 2008, the remaining unused portion of this estimated liability was \$143,822.

As part of CCBC's Facilities Masterplan Project, and in connection with the issuance of the Series of 2007 College Revenue Bonds, CCBC entered into various construction commitments for the construction and renovation of the campus. As of June 30, 2008, these construction commitments totaled \$1,084,357.

NOTE L - RISK MANAGEMENT

The County is exposed to various risks of loss including loss of property, torts, errors and omissions, use of County owned vehicles, workers' compensation incidents, employee health benefits and medical malpractice torts at Friendship Ridge. The County handles exposure to these risks in various ways.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE L - RISK MANAGEMENT - (Continued)

Property/Casualty Exposures

The County is a member of Pennsylvania Counties Risk Pool (PCoRP) which provides insurance coverage for general liability, law enforcement liability, property loss, vehicle usage, and crime. There have been no significant changes in PCoRP coverage in the past three years and settled claims have not exceeded the coverage provided in those years. PCoRP is a public entity risk pool exclusively for member counties of the County Commissioners Association of Pennsylvania. PCoRP was organized as a property/casualty self-insurer and it provides coverage through its self-insured retention fund of claims less than \$350,000. PCoRP purchases excess coverage for claims over that threshold up to a maximum limit of \$5,000,000 for liability, replacement value for property loss, and \$600,000 for crime. Members pay premiums to cover the costs of administration, excess insurance, and loss control services. The premium is adjusted annually to reflect both the costs of excess insurance and the most recent five-year experience with members.

The coverage provided by PCoRP excludes general liability and professional medical malpractice of Friendship Ridge and general liability related to the County Airport. The County has made other arrangements for those exposures.

Friendship Ridge Exposures

Beaver County has received permission from the Pennsylvania State Insurance Department and has chosen to fully self-fund all medical malpractice exposures. The County is required to create a formal self-funded program that is consistent with the requirements of Medical Care Availability and Reduction of Error (MCARE) regulations. The County is responsible for the first \$500,000 of any medical malpractice claims, with the next \$500,000 of protection afforded through the Pennsylvania Department of Insurance MCARE fund. The County has also chosen to fully self-fund all general liability claims.

Airport Exposures

Beaver County purchases an Airport Liability and a Hangerkeepers' Liability policy to limit exposures of the airport. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE L - RISK MANAGEMENT - (Continued)

HealthChoices Exposures

As part of the HealthChoices Behavioral Healthcare Program, the County is exposed to the risk that behavioral healthcare services provided to recipients will exceed the revenue provided by the state. During 2008, these health care services did exceed revenues. In this situation, the County has a cash reserve that can be used to offset claim expenses that are in excess of revenues. As of December 31, 2008, the County has a cash reserve of \$4,739,130.

Workers' Compensation

The County has elected to largely self insure its workers' compensation claims. To mitigate excess exposure, the County purchased a commercial large-deductible insurance policy which began on January 1, 2007. The County is responsible for the first \$350,000 of any individual claim and the first \$3,000,000 in aggregate annual claims expenses. The limits of policy coverage are defined by a Pennsylvania Statute and it includes limits of \$100,000 for employer's liability for any individual claim and \$500,000 aggregate for the annual policy. Prior to 2004, workers' compensation coverage was purchased from PCoRP.

Employee Health Benefits

The County has elected to self-fund the health and drug prescription employee benefits. Under the self-funded arrangement, the County's third party administrators pay all claims for medical, maintenance prescriptions, and emergency prescriptions. The County reimburses the administrators for these charges and pays an administrative fee based on membership and/or utilization. The County is responsible for the first \$125,000 of medical claims for any member each year. A stop loss insurance policy has been purchased to provide for payment above the yearly individual limit. The policy also includes \$1,000,000 of coverage if aggregate claims exceed the attachment point of \$17,571,857. During 2008, the County kept the attachment point for individual claims at \$125,000 and the attachment point for aggregate claims decreased to \$15,694,858.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE L - RISK MANAGEMENT - (Continued)

Employee Health Benefits- Continued

Changes in the estimate of the self-insured claims liability are as follows:

	<u>Beaver County</u>	<u>Friendship Ridge</u>
Liability balance - January 1, 2007	\$ 1,263,398	\$ 573,970
Incurring claims and estimates	7,813,975	2,628,689
Less:		
Claims paid during period	<u>8,214,527</u>	<u>3,702,608</u>
Liability balance - December 31, 2007	862,846	499,949
Incurring claims and estimates	7,345,407	3,560,304
Less:		
Claims paid during period	<u>7,750,910</u>	<u>3,860,409</u>
Liability balance - December 31, 2008	<u>\$ 457,343</u>	<u>\$ 199,844</u>

Risk Accounting

The County has created two internal service funds within which transactions related to the self-funded workers' compensation program and the self-funded health insurance programs are recorded. Revenues to cover expenditures for each program are generated by an internal charge, based on either payroll by class or by membership, applied to all operating funds, excluding Friendship Ridge. Friendship Ridge operates its risk programs as separate lines within its operating budget.

During 2008, both the internal service funds for medical and workers' compensation had revenues in excess of expenditures of \$849,952 and \$722,800 respectively.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE L - RISK MANAGEMENT - (Continued)

Component Unit - BCTA

BCTA is a member of the SAFTI Property and Liability Insurance Pool, which is an insurance pool that provides BCTA and other Pennsylvania Transit Properties insurance coverage for the following types of liabilities: automobile, employee benefit, public official, general, crime, property and boiler and machinery. BCTA pays an annual premium each year that includes fixed costs and a loss funding. During the 2007-2008 fiscal year, BCTA paid premiums of \$90,370 for fixed costs and \$95,502 for loss funding. This fund is self-insured but holds policies which provide excess coverage once a claim reaches a certain dollar level, which varies depending on the coverage. Insurance rates are based on individual performance, but all members of the pool share in or participate in the losses.

Component Unit - CCBC

CCBC is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

NOTE M - COMMITMENTS

At December 31, 2008, the County had three open letters of credit with a value totaling \$2,000,000, to cover excess costs of workers' compensation claims if needed. At December 31, 2008, none of the letters had been drawn.

As of December 31, 2008, Beaver County has open commitments for normal operations and construction projects of approximately \$1,100,000. Of this amount, approximately \$700,000 is for projects involved with the 2007 Capital Projects Fund.

The County, as the local sponsor of the Community College of Beaver County, is obligated to provide funding for one half of the College's annual capital expenditures, including debt service payments for capital bonds. In 2007, the College issued \$27,780,000 in capital bonds. The County will increase its annual contribution to CCBC over the life of this bond to subsidize CCBC's debt service obligation.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008 and June 30, 2008**

NOTE N - SUBSEQUENT EVENTS

The County issued a Tax Revenue Anticipation Note (TRAN) on January 2, 2009, in advance of property tax collections, depositing the \$7,000,000 proceeds into the General Fund, of which \$3,600,000 was transferred to Friendship Ridge. The County repaid its portion, which equaled \$3,400,000, by March 18, 2009. As of June 2009, \$2,000,000 of Friendship Ridge's share was still outstanding.

On February 1, 2009, the County issued General Obligation Notes, Series of 2009 in the amount of \$72,685,000 for the purpose of the following: refunding General Obligation Bond Series B of 2007, terminating the 2006 Swap Agreement, and financing certain capital projects.

On February 4, 2009, the County informed the counterparty to the 2006 Swap Agreement that they wished to terminate the 2006 Swap Agreement due to the County's claims that the counterparty was in default of the terms of the agreement. Per certain provisions of the agreement, the County has calculated that a fee amounting to \$7,683,000 will be sufficient to terminate the agreement. While the County believes that this fee is appropriate, no assurance can be given that it will not be contested by the counterparty. In such case, the fee may be substantially larger than the calculated amount and the County will have to identify other sources of funds to pay any shortfall.

On June 4, 2009, the County issued General Obligation Pension Bonds, Series of 2009 in the amount of \$19,135,000. Of this amount, 50% will be repaid by the County's governmental funds, while the other 50% is expected to be repaid by Friendship Ridge. The proceeds from this issuance will be contributed to the County's retirement system and used to reduce the volatility of the annual required pension contributions.

REQUIRED SUPPLEMENTAL INFORMATION

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County of Beaver, Pennsylvania

SCHEDULE OF FUNDING PROGRESS

PENSION TRUST FUND

December 31, 2008

Because the aggregate cost method does not identify or separately amortize accrued liabilities, information in this schedule about funded status and funding progress is presented using the entry age actuarial cost method for that purpose. This information is intended to serve as a surrogate for the funding progress of the plan. The County has presented information for the two most recent years. In subsequent years, the County will add to the schedule until six years of information has been met.

<u>Actuarial</u>						<u>UAAL as a</u>
<u>Valuation</u>	<u>Actuarial Value of</u>	<u>Actuarial Accrued</u>	<u>Unfunded AAL</u>	<u>Funded</u>		<u>Percentage of</u>
<u>Date</u>	<u>Assets</u>	<u>Liability (AAL)</u>	<u>(UAAL)</u>	<u>Ratio</u>	<u>Covered Payroll</u>	<u>Covered</u>
1/1/2009	\$ 179,461,719	\$ 208,134,895	\$ 28,673,176	86.2%	\$ 56,786,835	50.5%
1/1/2008	\$ 195,369,098	\$ 191,872,922	\$ (3,496,176)	101.8%	\$ 53,935,875	-6.5%

County of Beaver, Pennsylvania

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
PENSION TRUST FUND
December 31, 2008**

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage of Annual Required Contribution Recognized in Plan Assets for that Year</u>
December 31, 2008	\$ 1,887,756	100%
December 31, 2007	\$ 2,113,111	100%
December 31, 2006	\$ 2,020,537	100%
December 31, 2005	\$ 3,737,244	409%
December 31, 2004	\$ 3,652,159	100%
December 31, 2003	\$ 3,325,708	100%

The information presented above was determined as part of the actuarial valuations performed on January 1 of each of the years ended as indicated above. The additional information is for all years presented unless otherwise indicated.

Actuarial cost method:	Aggregate actuarial
Asset valuation method:	Five-year smoothed market
Actuarial assumptions:	
Inflation adjustment:	3%
Investment rate of return:	7.5%
Amortization Method:	n/a
Amortization Period:	n/a
Projected salary increase:	3.25% for 2003, 3.50% for 2004; 3.75% for 2005; 4.00% for 2006; 4.25-4.5% for 2007; 4.5% for 2008
Cost-of-living adjustment:	100% of CPI effective as of January 1, 2000

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2008

	Budgeted Amount		Actual	Variance
	Original	Final		Over (Under)
REVENUES				
Real Estate Taxes	\$ 45,170,920	\$ 45,170,920	\$ 45,361,286	\$ 190,366
Licenses and Permits	75,500	75,500	94,777	19,277
Interest and Rents	1,172,020	1,172,020	443,976	(728,044)
Intergovernmental Revenues	3,806,194	3,957,605	4,347,860	390,255
Departmental Earnings	7,318,000	7,403,336	7,842,980	439,644
Miscellaneous	1,240,203	1,279,680	1,036,170	(243,510)
TOTAL REVENUES	<u>58,782,837</u>	<u>59,059,061</u>	<u>59,127,048</u>	<u>67,987</u>
EXPENDITURES				
Current				
General Government	11,166,985	10,886,717	9,628,581	(1,258,136)
Judicial	11,127,604	11,280,633	10,837,960	(442,673)
Public Safety	13,253,963	13,339,695	13,137,790	(201,905)
Public Works and Enterprises	3,372,770	3,690,897	3,537,607	(153,290)
Culture, Recreation and Conservation	3,061,872	3,021,688	2,831,992	(189,697)
Intergovernmental				
Human Services	9,375,683	9,390,100	10,379,808	989,708
Debt Service				
Principal	2,088,159	2,721,491	2,718,684	(2,807)
Interest	5,471,519	5,279,648	4,997,227	(282,421)
Capital Outlay				
Fixed Asset Acquisition and Improvements	444,466	486,828	1,633,676	1,146,848
Infrastructure				
TOTAL EXPENDITURES	<u>59,363,021</u>	<u>60,097,697</u>	<u>59,703,325</u>	<u>(394,373)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(580,184)	(1,038,636)	(576,277)	462,360
OTHER FINANCING SOURCES (USES)				
Capital Lease Agreements	-	-	1,375,582	1,375,582
Transfers From Other Funds	-	-	-	-
Transfers To Other Funds	-	-	(866,511)	(866,511)
TOTAL OTHER FINANCING SOURCES	-	-	<u>509,071</u>	<u>509,071</u>
NET CHANGE IN FUND BALANCE	(580,184)	(1,038,636)	(67,206)	971,431
Fund Balance - Beginning	1,250,000	4,773,874	1,378,038	(3,395,836)
Fund Balance - Ending	<u>\$ 669,816</u>	<u>\$ 3,735,238</u>	<u>\$ 1,310,832</u>	<u>\$ (2,424,405)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
MENTAL HEALTH / MENTAL RETARDATION
For the Year Ended December 31, 2008**

	Budget			Variance
	Original	Final	Actual	Over (Under)
Revenues				
Intergovernmental	\$ 39,779,200	\$ 39,779,200	\$ 35,301,508	\$ (4,477,692)
Departmental Earnings	1,150,800	1,150,800	1,199,395	48,595
Interest	273,000	273,000	229,666	(43,334)
Miscellaneous	102,000	102,000	104,861	2,861
Total Revenues	<u>41,305,000</u>	<u>41,305,000</u>	<u>36,835,430</u>	<u>(4,469,570)</u>
Expenditures				
Salaries & Benefits	4,450,578	4,417,643	4,257,501	(160,142)
Personnel Expense	31,900	35,859	22,763	(13,096)
Consultant/Contracted Svcs.	1,687,000	1,800,927	1,757,321	(43,606)
Sub Contracted Services	30,745,000	30,401,002	30,170,069	(230,933)
Occupancy	271,600	286,600	262,587	(24,013)
Communication	102,000	109,800	87,537	(22,263)
Supplies & Minor Equip.	162,000	166,000	89,983	(76,017)
Transportation	120,000	139,000	126,664	(12,336)
Other Expenditures	351,000	537,485	502,025	(35,460)
Capital Outlay	210,000	308,000	173,212	(134,788)
Total Expenditures	<u>38,131,078</u>	<u>38,202,316</u>	<u>37,449,663</u>	<u>(752,653)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,173,922	3,102,684	(614,233)	(3,716,917)
Fund Balance - Beginning	4,035,864	4,069,664	1,048,492	(3,021,172)
Fund Balance - Ending	<u>\$ 7,209,786</u>	<u>\$ 7,172,348</u>	<u>\$ 434,259</u>	<u>\$ (6,738,089)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
CHILDREN AND YOUTH
For the Year Ended December 31, 2008**

	Budget		Actual	Variance
	Original	Final		Over (Under)
Revenues				
Intergovernmental	\$ 14,435,957	\$ 14,435,957	\$ 10,894,849	\$ (3,541,108)
Departmental Earnings	300,800	300,800	137,921	(162,879)
Interest	100,000	100,000	44,980	(55,020)
Total Revenues	14,836,757	14,836,757	11,077,749	(3,759,008)
Expenditures				
Salaries & Benefits	4,315,182	4,660,857	4,000,840	(660,017)
Personnel Expense	37,420	37,820	26,194	(11,626)
Consultant/Contracted Svcs.	856,000	692,583	616,409	(76,174)
Sub Contracted Services	6,050,996	6,050,996	3,891,467	(2,159,529)
Occupancy	273,000	273,000	256,707	(16,293)
Communication	185,000	186,330	131,175	(55,155)
Supplies & Minor Equip.	602,200	446,216	241,991	(204,225)
Transportation	131,000	136,000	127,799	(8,201)
Other Expenditures	3,838,500	3,846,300	3,158,646	(687,654)
Contra Revenue Account	58,000	58,000	-	(58,000)
Capital Outlay	150,303	113,065	112,069	(996)
Total Expenditures	16,497,601	16,501,167	12,563,296	(3,937,871)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,660,844)	(1,664,410)	(1,485,547)	178,863
Fund Balance - Beginning	1,660,844	1,660,844	202,334	(1,458,510)
Fund Balance - Ending	\$ -	\$ (3,566)	\$ (1,283,213)	\$ (1,279,647)

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT
For the Year Ended December 31, 2008**

	Budget		2008	Variance
	Original	Final	Actual	Over (Under)
Revenues				
Intergovernmental	\$ 8,548,310	\$ 9,115,259	\$ 7,403,129	\$ (1,712,130)
Departmental Earnings	580,000	580,000	385,609	(194,391)
Interest	132,600	135,473	115,300	(20,173)
Total Revenues	<u>9,260,910</u>	<u>9,830,732</u>	<u>7,904,038</u>	<u>(1,926,694)</u>
Expenditures				
Salaries & Benefits	456,518	463,553	450,599	(12,954)
Personnel Expense	36,890	35,204	12,236	(22,968)
Consultant/Contracted Svcs.	11,199,306	11,772,225	6,524,465	(5,247,760)
Sub Contracted Services	700	700	101	(599)
Occupancy	149,803	148,746	70,705	(78,041)
Communication	51,200	51,003	19,409	(31,594)
Supplies & Minor Equip.	53,278	60,909	25,479	(35,430)
Transportation	21,250	26,250	18,101	(8,149)
Debt Payments	686,105	686,105	686,105	-
Other Expenditures	121,560	116,560	64,868	(51,692)
Contra Revenue Account	8,000	10,873	4,539	(6,334)
Capital Outlay	25,100	21,666	-	(21,666)
Total Expenditures	<u>12,809,710</u>	<u>13,393,794</u>	<u>7,876,607</u>	<u>(5,517,186)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(3,548,800)	(3,563,062)	27,431	3,590,493
Fund Balance - Beginning	<u>3,548,800</u>	<u>3,548,800</u>	<u>1,180,675</u>	<u>(2,368,125)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ (14,262)</u>	<u>\$ 1,208,106</u>	<u>\$ 1,222,368</u>

County of Beaver, Pennsylvania

**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
December 31, 2008**

NOTE A - BASIS OF BUDGETING

Appropriated budgets are adopted on a modified accrual basis consistent with generally accepted accounting principles by fund, department and line-item. Line-items are specific revenues and expenditures, such as taxes, fees, salaries, and supplies. Transfers of appropriations may be requested between line-items within a department or between departments within the same fund. All transfers of appropriations require the approval of the Commissioners. The legal level of control is exercised by management at each line-item.

NOTE B - BUDGET VARIANCES

Capital acquisition costs in the general fund were over budget because the asset acquired under the 911 Center capital lease was not budgeted. The County does not typically budget for capital lease acquisitions. Accordingly, the associated other financing source related to this capital lease was also unrecorded.

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OTHER SUPPLEMENTAL INFORMATION

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County of Beaver, Pennsylvania
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2008

	Budget		2008	Variance
	Original	Final	Actual	Over (Under)
GENERAL GOVERNMENT				
Commissioners				
Salaries & Benefits	\$ 607,956	\$ 608,157	\$ 483,919	\$ (124,238)
Personnel Expense	700	1,700	339	(1,361)
Occupancy	476	476	461	(15)
Communication	7,100	17,650	16,261	(1,389)
Supplies & Minor Equipment	15,400	41,448	37,039	(4,409)
Transportation	8,500	15,000	14,512	(488)
Consultant/Contracted Services	-	71,000	50,804	(20,196)
Other Expenses	5,250	6,238	5,287	(951)
Total Expenditures	645,382	761,669	608,622	(153,047)
Controller				
Salaries & Benefits	645,162	624,125	567,201	(56,925)
Personnel Expense	7,000	6,234	4,730	(1,504)
Occupancy	3,089	3,089	2,995	(94)
Communication	3,300	3,300	2,071	(1,229)
Supplies & Minor Equipment	9,400	9,878	9,091	(787)
Transportation	6,500	6,229	5,452	(777)
Consultant/Contracted Services	53,830	53,830	52,172	(1,658)
Other Expenses	-	288	288	-
Total Expenditures	728,281	706,973	644,000	(62,973)
Treasurer				
Salaries & Benefits	550,142	557,347	548,229	(9,118)
Personnel Expense	800	815	815	-
Occupancy	4,515	4,378	4,378	-
Communication	52,350	47,509	47,485	(24)
Supplies & Minor Equipment	27,600	28,698	28,695	(3)
Transportation	5,000	2,691	2,690	(1)
Other Expenses	10,000	-	2,271	2,271
Tax Refunds	250,000	246,625	222,738	(23,887)
Total Expenditures	900,407	888,063	857,300	(30,763)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2008**

	Budget		2008	Variance
	Original	Final	Actual	Over (Under)
Recorder Of Deeds				
Salaries & Benefits	\$ 493,405	\$ 477,944	\$ 471,247	\$ (6,697)
Personnel Expense	1,600	1,725	1,513	(212)
Occupancy	3,802	3,802	3,686	(116)
Communication	2,000	2,000	1,215	(785)
Supplies & Minor Equipment	24,900	24,775	23,540	(1,235)
Transportation	4,000	4,000	2,605	(1,395)
Contracted Services	29,000	29,000	27,876	(1,124)
Other Expenses	100	100	100	-
Total Expenditures	558,807	543,346	531,783	(11,563)
Solicitor				
Salaries & Benefits	262,051	260,550	258,957	(1,593)
Personnel Expense	3,025	4,631	5,041	410
Occupancy	238	238	230	(8)
Communication	600	339	329	(10)
Supplies & Minor Equipment	4,975	4,711	4,722	11
Transportation	4,000	6,900	6,863	(37)
Other Expenses	100	-	-	-
Total Expenditures	274,989	277,369	276,142	(1,227)
Employee Relations				
Salaries & Benefits	475,304	521,726	503,146	(18,580)
Personnel Expense	67,100	75,516	45,940	(29,576)
Occupancy	476	476	461	(15)
Communication	2,150	4,855	2,624	(2,231)
Supplies & Minor Equipment	44,800	26,238	17,714	(8,524)
Transportation	700	2,400	1,762	(638)
Consultant/Contracted	155,000	148,500	103,353	(45,147)
Total Expenditures	745,530	779,711	675,001	(104,710)
Microfilm				
Salaries & Benefits	\$ 307,670	\$ 298,885	\$ 278,262	\$ (20,623)
Occupancy	2,100	2,100	2,000	(100)
Communication	40	40	11	(29)
Supplies & Minor Equipment	46,800	43,000	42,420	(580)
Transportation	150	150	-	(150)
Consultant/Contracted Services	7,600	11,400	11,342	(58)
Other Expenses	-	-	-	-
Total Expenditures	364,360	355,575	334,035	(21,540)

EXHIBIT B (PAGE 2 OF 18)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2008

	Budget		2008	Variance
	Original	Final	Actual	Over (Under)
Information Technology				
Salaries & Benefits	623,150	598,780	203,110	(395,670)
Personnel Expense	5,000	12,000	9,750	(2,250)
Occupancy	-	10	10	-
Communication	45,150	48,490	47,006	(1,484)
Supplies & Minor Equipment	77,500	72,925	51,504	(21,421)
Transportation	3,000	4,000	3,858	(142)
Consultant/Contracted Services	50,000	39,775	39,370	(405)
Other Expenses	1,500	3500	2,854.49	(646)
Total Expenditures	805,300	779,480	357,462	(422,018)
Central Services Department				
Salaries & Benefits	183,043	177,753	140,708	(37,045)
Personnel Expense	475	475	130	(345)
Occupancy	119	119	106	(13)
Communication	47,100	45,800	20,683	(25,117)
Supplies & Minor Equipment	16,500	18,050	17,850	(200)
Transportation	-	-	-	-
Consultant/Contracted Services	-	-	-	-
Other Expenses	250	-	-	-
Total Expenditures	247,487	242,197	179,476	(62,721)
Planning Commission				
Salaries & Benefits	371,626	374,507	374,004	(503)
Personnel Expense	7,400	7,200	642	(6,558)
Occupancy	1,188	1,188	1,152	(36)
Communication	3,850	3,650	2,124	(1,526)
Supplies & Minor Equipment	12,300	12,300	11,293	(1,007)
Transportation	10,000	10,000	5,809	(4,191)
Contracted Services	93,098	78,259	72,369	(5,890)
Other Expenses	2,500	2,900	2,387	(513)
Total Expenditures	501,962	490,004	469,779	(20,225)
Weights And Measures				
Salaries & Benefits	\$ 44,612	\$ 49,082	\$ 48,392	\$ (690)
Communication	50	50	-	(50)
Supplies & Minor Equipment	400	400	315	(85)
Transportation	8,540	8,540	8,508	(32)
Total Expenditures	53,602	58,072	57,215	(857)

EXHIBIT B (PAGE 3 OF 18)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2008**

	Budget		2008	Variance
	Original	Final	Actual	Over (Under)
Veterans Affairs				
Salaries & Benefits	183,334	179,033	171,857	(7,176)
Personnel Expense	850	850	832	(19)
Communication	3,750	3,750	3,272	(478)
Supplies & Minor Equipment	2,800	2,800	1,990	(810)
Transportation	1,800	1,800	1,113	(687)
Other Expenses	135,419	135,419	123,826	(11,593)
Total Expenditures	327,953	323,652	302,888	(20,764)
Election Bureau				
Salaries & Benefits	278,752	348,392	338,716	(9,676)
Personnel Expense	300	250	248	(2)
Occupancy	22,119	20,619	20,590	(29)
Communication	49,250	42,966	41,183	(1,783)
Supplies & Minor Equipment	82,234	77,884	64,491	(13,393)
Transportation	1,500	1,500	1,385	(115)
Consultant/Contracted Services	15,000	9,000	9,000	-
Other Expenses	189,000	230,054	226,735	(3,319)
Total Expenditures	638,155	730,665	702,348	(28,317)
Assessment/Tax Claim				
Salaries & Benefits	1,028,130	1,047,571	1,047,080	(491)
Personnel Expense	11,500	18,100	17,640	(460)
Occupancy	3,089	3,089	2,995	(94)
Communication	200,500	176,464	225,558	49,094
Supplies & Minor Equipment	34,500	26,100	23,723	(2,377)
Transportation	28,000	22,600	22,569	(31)
Consultant/Contracted Services	30,000	13,900	13,805	(95)
Other Expenses	74,000	83,000	82,583	(417)
Total Expenditures	1,409,719	1,390,824	1,435,953	45,129
Public Defender				
Salaries & Benefits	\$ 960,394	\$ 943,132	\$ 889,195	\$ (53,937)
Personnel Expense	4,100	6,400	5,890	(510)
Occupancy	951	951	922	(29)
Communication	650	650	177	(473)
Supplies & Minor Equipment	10,500	11,421	9,587	(1,834)
Transportation	12,500	12,500	11,437	(1,063)
Other Expenses	54,000	40,699	37,247	(3,452)
Total Expenditures	1,043,095	1,015,753	954,456	(61,297)

County of Beaver, Pennsylvania
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2008

	Budget		2008	Variance
	Original	Final	Actual	Over (Under)
General Government/ Internal Administration				
Anticipated Expense Reduction	-	-	-	-
Contra Revenue Accounts	-	-	-	-
Personnel Expense	75,000	75,000	69,839	(5,161)
Occupancy	2,500	2,778	2,778	-
Consultant/Contracted Services	390,000	253,957	256,750	2,793
Other Expenses	50,800	20,424	20,995	571
Total Expenditures	518,300	352,159	350,362	(1,797)
Miscellaneous				
Insurance	1,077,476	915,781	638,792	(276,989)
Bank charges	146,000	95,244	94,384	(860)
Indirect cost study	10,000	10,000	10,000	-
Other expenses	170,180	170,180	148,583	(21,597)
Total Expenditures	1,403,656	1,191,205	891,759	(299,446)
Total General Government	\$ 11,166,985	\$ 10,886,717	\$ 9,628,581	\$ (1,258,135)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2008**

	<u>Budget</u>		<u>2008</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
JUDICIAL				
Clark Of Courts				
Salaries & Benefits	\$ 584,649	\$ 590,783	\$ 588,532	\$ (2,251)
Personnel Expense	13,000	13,847	13,549	(298)
Occupancy	4,040	4,040	3,917	(123)
Communication	17,300	17,300	15,028	(2,272)
Supplies & Minor Equipment	13,500	13,500	9,974	(3,526)
Transportation	5,150	5,150	2,437	(2,713)
Consultant/Contracted	10,000	10,000	5,392	(4,608)
Other Expenses	500	500	260	(240)
Total Expenditures	648,139	655,120	639,088	(16,032)
Coroner				
Salaries & Benefits	161,673	156,340	145,947	(10,393)
Personnel Expense	900	900	794	(106)
Occupancy	238	238	230	(8)
Communication	1,650	1,650	453	(1,197)
Supplies & Minor Equipment	11,000	7,000	5,011	(1,989)
Transportation	5,000	2,000	1,700	(300)
Other Expenses	153,000	163,250	149,837	(13,414)
Total Expenditures	333,461	331,378	303,971	(27,407)
Jury Commission				
Salaries & Benefits	93,115	96,049	95,197	(852)
Communication	10,400	12,258	11,217	(1,041)
Supplies & Minor Equipment	5,000	4,200	4,185	(15)
Transportation	3,500	1,642	1,642	-
Consultant/Contracted	5,000	5,338	5,337	(1)
Total Expenditures	117,015	119,487	117,578	(1,909)
District Attorney				
Salaries & Benefits	\$ 1,902,919	\$ 1,857,643	\$ 1,798,544	\$ (59,099)
Personnel Expense	19,500	19,500	18,062	(1,438)
Occupancy	4,606	4,606	4,442	(164)
Communication	10,000	10,750	10,337	(413)
Supplies & Minor Equipment	30,200	31,302	25,386	(5,916)
Transportation	9,000	15,000	11,540	(3,460)
Consultant/Contracted	14,000	44,703	37,479	(7,224)
Other Expenses	21,500	14,750	10,728	(4,022)
Contra Revenue Accounts	-	53,104	32,384	(20,720)
Total Expenditures	2,011,725	2,051,358	1,948,902	(102,456)

EXHIBIT B (PAGE 6 OF 18)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2008

	<u>Budget</u>		<u>2008</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
Prothonotary				
Salaries & Benefits	557,688	585,953	585,948	(5)
Personnel Expense	600	935	913	(22)
Occupancy	9,267	8,986	8,986	-
Communication	9,700	6,900	6,803	(97)
Supplies & Minor Equipment	26,000	21,100	20,995	(105)
Transportation	1,000	1,400	1,302	(98)
Total Expenditures	<u>604,255</u>	<u>625,274</u>	<u>624,947</u>	<u>(327)</u>
Register Of Wills				
Salaries & Benefits	311,336	303,987	303,981	(6)
Personnel Expense	750	710	710	-
Occupancy	5,228	5,228	5,069	(159)
Communication	12,800	13,440	12,594	(846)
Supplies & Minor Equipment	14,500	14,326	13,855	(471)
Transportation	2,500	2,074	2,074	-
Total Expenditures	<u>347,114</u>	<u>339,765</u>	<u>338,282</u>	<u>(1,482)</u>
Sheriff				
Salaries & Benefits	\$ 2,672,240	\$ 2,728,808	\$ 2,618,845	\$ (109,963)
Personnel Expense	31,600	51,901	51,144	(757)
Occupancy	1,111	1,111	1,078	(33)
Communication	8,800	9,536	8,658	(878)
Supplies & Minor Equipment	61,408	77,852	79,440	1,588
Transportation	2,700	3,450	3,420	(30)
Consultant/Contracted	13,150	6,250	6,028	(222)
Other Expenses	62,800	79,001	78,564	(437)
Total Expenditures	<u>2,853,809</u>	<u>2,957,909</u>	<u>2,847,178</u>	<u>(110,731)</u>
Court Administration				
Salaries & Benefits	2,043,865	1,989,735	1,905,589	(84,146)
Personnel Expense	94,600	54,761	51,831	(2,930)
Occupancy	2,614	2,614	2,534	(80)
Communication	14,100	14,117	11,053	(3,064)
Supplies & Minor Equipment	55,500	75,178	69,114	(6,064)
Transportation	11,500	7,936	6,485	(1,451)
Consultant/Contracted	135,500	157,120	139,964	(17,156)
Other Expenses	80,000	80,000	72,951	(7,049)
Total Expenditures	<u>2,437,679</u>	<u>2,381,461</u>	<u>2,259,522</u>	<u>(121,939)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2008**

	Budget		2008	Variance
	Original	Final	Actual	Over (Under)
Law Library				
Salaries & Benefits	60,971	59,393	59,321	(72)
Personnel Expense	95,020	94,650	94,238	(412)
Communication	200	211	101	(110)
Supplies & Minor Equipment	560	560	559	(1)
Transportation	200	200	88	(112)
Total Expenditures	156,951	155,014	154,307	(707)
District Court 36-1-03				
Salaries & Benefits	\$ 118,646	\$ 119,970	\$ 119,945	\$ (25)
Personnel Expense	600	760	684	(76)
Occupancy	25,630	25,200	24,402	(798)
Communication	11,000	11,600	11,337	(263)
Supplies & Minor Equipment	8,100	7,720	6,911	(809)
Transportation	700	700	671	(29)
Total Expenditures	164,676	165,950	163,950	(2,000)
District Court 36-1-01				
Salaries & Benefits	122,099	124,806	124,330	(476)
Personnel Expense	400	400	75	(325)
Occupancy	9,700	9,323	7,743	(1,580)
Communication	13,800	14,788	13,266	(1,522)
Supplies & Minor Equipment	7,700	7,100	6,275	(825)
Transportation	1,000	1,000	981	(19)
Other Expenses	-	100	24	(76)
Total Expenditures	154,699	157,517	152,693	(4,824)
District Court 36-3-02				
Salaries & Benefits	117,385	120,974	120,779	(195)
Personnel Expense	400	400	320	(80)
Occupancy	6,700	6,700	6,078	(622)
Communication	17,900	17,900	14,703	(3,197)
Supplies & Minor Equipment	12,600	12,600	5,412	(7,188)
Transportation	1,200	1,200	647	(553)
Total Expenditures	156,185	159,774	147,940	(11,834)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2008

	Budget		2008	Variance
	Original	Final	Actual	Over (Under)
District Court 36-2-01				
Salaries & Benefits	\$ 161,202	\$ 168,585	\$ 168,579	\$ (6)
Personnel Expense	400	400	375	(25)
Occupancy	9,950	9,541	8,776	(765)
Communication	22,600	23,265	19,745	(3,520)
Supplies & Minor Equipment	8,000	7,960	6,991	(969)
Transportation	2,000	2,000	1,858	(142)
Total Expenditures	204,152	211,751	206,323	(5,428)
District Court 36-3-03				
Salaries & Benefits	158,259	162,997	162,951	(46)
Personnel Expense	400	400	275	(125)
Occupancy	12,350	14,125	12,521	(1,604)
Communication	22,100	22,400	18,859	(3,541)
Supplies & Minor Equipment	13,400	10,900	9,594	(1,306)
Transportation	1,200	1,700	1,461	(239)
Total Expenditures	207,709	212,522	205,662	(6,860)
District Court 36-3-04				
Salaries & Benefits	121,772	120,488	120,477	(11)
Personnel Expense	300	300	172	(128)
Occupancy	9,250	8,450	7,171	(1,279)
Communication	14,600	14,600	14,169	(431)
Supplies & Minor Equipment	5,400	6,283	5,749	(534)
Transportation	2,000	1,917	1,823	(94)
Total Expenditures	153,322	152,038	149,561	(2,477)
District Court 36-1-02				
Salaries & Benefits	\$ 171,039	\$ 178,346	\$ 167,830	\$ (10,516)
Personnel Expense	300	200	61	(139)
Occupancy	7,500	7,725	7,128	(597)
Communication	19,000	19,500	16,234	(3,266)
Supplies & Minor Equipment	7,700	7,710	6,240	(1,470)
Transportation	700	190	109	(81)
Total Expenditures	206,239	213,671	197,601	(16,070)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2008

	Budget		2008	Variance
	Original	Final	Actual	Over (Under)
District Court 36-3-01				
Salaries & Benefits	130,639	133,430	132,881	(549)
Personnel Expense	400	100	50	(50)
Occupancy	8,000	8,174	7,225	(949)
Communication	15,100	16,700	15,570	(1,130)
Supplies & Minor Equipment	10,900	10,900	9,869	(1,031)
Transportation	900	-	-	-
Total Expenditures	165,939	169,304	165,595	(3,709)
District Court 36-2-02				
Salaries & Benefits	167,935	184,740	184,634	(106)
Personnel Expense	400	400	278	(122)
Occupancy	7,900	7,900	6,843	(1,057)
Communication	15,800	15,800	14,016	(1,784)
Supplies & Minor Equipment	9,500	9,500	7,203	(2,297)
Transportation	3,000	3,000	1,884	(1,116)
Total Expenditures	204,535	221,340	214,859	(6,481)
Total Judicial	\$ 11,127,604	\$ 11,280,633	\$ 10,837,960	\$ (442,673)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2008

	<u>Budget</u>		<u>2008</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over</u>
				<u>(Under)</u>
PUBLIC WORKS				
Department of Public Works				
Salaries & Benefits	\$ 1,917,562	\$ 1,960,150	\$ 1,917,096	\$ (43,054)
Personnel Expense	3,500	3,662	3,569	(93)
Occupancy	43,300	60,477	60,405	(72)
Communication	6,750	11,910	11,404	(506)
Supplies & Minor Equipment	49,300	48,161	41,264	(6,897)
Transportation	1,300	-	-	-
Other Expenses	47,000	56,500	54,926	(1,574)
Total Expenditures	2,068,712	2,140,860	2,088,664	(52,196)
Airport of Beaver County				
Salaries & Benefits	196,810	178,853	173,006	(5,847)
Personnel Expense	50	50	50	-
Occupancy	67,607	83,172	64,020	(19,152)
Communication	5,250	5,580	5,364	(216)
Supplies & Minor Equipment	30,700	28,700	26,564	(2,136)
Transportation	1,250	1,250	846	(404)
Consultant/Contracted	21,500	132,617	129,246	(3,371)
Other Expenses	14,400	86,914	24,313	(62,601)
Contra Revenue Accounts	11,000	12,809	12,658	(151)
Total Expenditures	348,567	529,945	436,067	(93,878)
Buildings and Grounds				
Occupancy	671,812	719,961	708,656	(11,305)
Communication	1,100	1,040	824	(216)
Supplies & Minor Equipment	102,572	95,148	91,959	(3,189)
Consultant/Contracted	171,887	194,623	202,578	7,955
Other Expenses	8,120	9,320	8,858	(462)
Total Expenditures	955,491	1,020,092	1,012,875	(7,217)
Total Public Works	\$ 3,372,770	\$ 3,690,897	\$ 3,537,607	\$ (153,290)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2008**

	<u>Budget</u>		<u>2008</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
PUBLIC SAFETY				
Emergency Services				
Reimbursement From 911				
Fund	\$ (1,470,844)	\$ (1,478,404)	\$ (1,150,282)	\$ 328,122
Salaries & Benefits	2,266,062	2,340,802	2,282,324	(58,478)
Personnel Expense	14,700	17,095	13,415	(3,680)
Occupancy	37,000	38,500	37,843	(657)
Communication	15,000	15,000	3,917	(11,083)
Supplies & Minor Equipment	29,500	28,000	19,035	(8,965)
Transportation	5,000	5,000	3,797	(1,203)
Consultant/Contracted Svcs	350,000	152,531	113,040	(39,491)
Other Expenses	6,271	7,771	1,958	(5,813)
Total Expenditures	<u>1,252,689</u>	<u>1,126,295</u>	<u>1,325,048</u>	<u>198,753</u>
Jail of Beaver County				
Salaries & Benefits	4,867,147	4,906,690	4,802,539	(104,151)
Personnel Expense	44,700	38,032	37,976	(56)
Occupancy	313,451	364,796	364,746	(50)
Communication	15,650	14,078	14,046	(32)
Supplies & Minor Equipment	143,000	151,504	151,450	(54)
Transportation	7,000	1,770	1,769	(1)
Consultant/Contracted Svcs	48,500	50,001	50,000	(1)
Other Expenses	1,352,000	1,480,062	1,479,589	(473)
Total Expenditures	<u>6,791,448</u>	<u>7,006,933</u>	<u>6,902,115</u>	<u>(104,818)</u>
Allencrest Detention Center				
Reimbursement from				
Children/Youth	(1,218,649)	(1,218,649)	(1,295,785)	(77,136)
Salaries & Benefits	1,714,898	1,678,255	1,674,366	(3,889)
Personnel Expense	14,164	18,164	15,887	(2,277)
Occupancy	66,200	71,213	67,603	(3,610)
Communication	3,550	3,550	2,807	(743)
Supplies & Minor Equipment	74,900	63,950	61,729	(2,221)
Transportation	1,200	1,200	492	(708)
Consultant/Contracted Svcs	195,000	162,535	153,898	(8,637)
Other Expenses	51,000	52,402	48,241	(4,161)
Total Expenditures	<u>902,263</u>	<u>832,620</u>	<u>729,237</u>	<u>(103,383)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2008**

	<u>Budget</u>		<u>2008</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over</u>
				<u>(Under)</u>
DUI Program				
Salaries & Benefits	\$ 74,950	\$ 90,130	\$ 78,568	\$ (11,562)
Personnel Expense	2,000	1,000	866	(134)
Occupancy	1,800	1,800	1,200	(600)
Communication	1,000	1,000	168	(832)
Supplies & Minor Equipment	3,000	1,000	928	(72)
Transportation	1,250	2,250	2,085	(165)
Consultant/Contracted Svcs	2,000	25,681	14,510	(11,171)
Total Expenditures	86,000	122,861	98,324	(24,537)
Adult Probation				
Reimbursement from				
Offender's Supervisory				
Fund	(538,680)	(538,680)	(547,000)	(8,320)
Salaries & Benefits	1,458,839	1,480,608	1,478,488	(2,120)
Personnel Expense	750	750	415	(335)
Communication	7,900	6,913	6,007	(906)
Supplies & Minor Equipment	12,500	13,037	10,067	(2,970)
Transportation	6,500	8,500	7,915	(585)
Other Expenses	4,000	91,175	675	(90,500)
Total Expenditures	951,809	1,062,303	956,565	(105,738)
Intermediate Punishment Program				
Salaries & Benefits	406,886	379,603	379,075	(528)
Occupancy	51,000	51,079	49,436	(1,643)
Communication	21,900	23,676	23,295	(381)
Supplies & Minor Equipment	114,800	106,863	98,011	(8,852)
Transportation	3,000	5,000	4,393	(607)
Other Expenses	250	250	166	(84)
Total Expenditures	597,836	566,471	554,376	(12,095)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2008**

	<u>Budget</u>		<u>2008</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
Juvenile Probation-Court Services				
Reimbursement from the				
Children Youth Program	(1,993,464)	(1,993,464)	(1,465,478)	527,986
Salaries & Benefits	1,078,307	1,124,089	1,110,522	(13,567)
Personnel Expense	2,850	2,850	1,906	(944)
Communication	16,000	16,000	13,299	(2,701)
Supplies & Minor Equipment	12,750	12,750	8,481	(4,269)
Transportation	20,000	20,000	18,843	(1,157)
Consultant/Contracted Svcs	87,000	92,000	84,532	(7,468)
Other Expenses	3,014,000	2,935,507	2,401,169	(534,338)
Total Expenditures	2,237,443	2,209,732	2,173,273	(36,459)
Juvenile Probation-Grants (SPS)				
Salaries & Benefits	\$ 422,475	\$ 395,980	\$ 385,546	\$ (10,434)
Transportation	12,000	16,500	13,306	(3,194)
Total Expenditures	434,475	412,480	398,852	(13,628)
Total Public Safety	\$ 13,253,963	\$ 13,339,695	\$ 13,137,790	\$ (201,905)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2008

	<u>Budget</u>		<u>2008</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
CULTURE, RECREATION, AND CONSERVATION				
Waste Management				
Salaries & Benefits	\$ 238,507	\$ 245,094	\$ 238,473	\$ (6,621)
Personnel Expense	890	890	640	(250)
Occupancy	36,600	39,400	37,970	(1,430)
Communication	5,500	4,512	4,211	(301)
Supplies & Minor Equipment	26,700	35,896	33,760	(2,136)
Transportation	3,600	2,600	2,423	(177)
Consultant/Contracted Svcs	17,000	12,800	8,304	(4,497)
Other Expenses	59,260	59,260	55,831	(3,429)
Total Expenditures	<u>388,057</u>	<u>400,452</u>	<u>381,612</u>	<u>(18,840)</u>
Library Commission				
Salaries & Benefits	582,735	568,537	485,793	(82,744)
Personnel Expense	86,115	88,115	86,543	(1,572)
Occupancy	41,447	32,847	30,601	(2,246)
Communication	24,350	22,850	15,587	(7,263)
Supplies & Minor Equipment	76,395	85,205	83,847	(1,358)
Transportation	7,500	9,000	8,072	(928)
Consultant/Contracted	29,400	24,900	22,394	(2,506)
Other Expenses	711,360	706,974	702,455	(4,519)
Total Expenditures	<u>1,559,302</u>	<u>1,538,428</u>	<u>1,435,293</u>	<u>(103,135)</u>
Parks/Shelter/Recreation				
Salaries & Benefits	90,421	91,348	88,397	(2,951)
Occupancy	3,650	4,017	3,779	(238)
Communication	1,750	1,950	1,524	(426)
Supplies & Minor Equipment	11,500	11,902	11,449	(453)
Transportation	1,500	1,500	326	(1,174)
Consultant/Contracted	26,000	19,433	11,585	(7,848)
Other Expenses	3,000	1,234	820	(414)
Total Expenditures	<u>137,821</u>	<u>131,384</u>	<u>117,880</u>	<u>(13,504)</u>
DPW/Parks				
Occupancy	\$ 37,100	\$ 46,549	\$ 44,848	\$ (1,701)
Communication	2,500	3,000	2,878	(122)
Supplies & Minor Equipment	56,700	46,635	44,437	(2,198)
Consultant/Contracted	14,000	11,000	10,214	(786)
Other Expenses	36,000	18,050	18,032	(18)
Total Expenditures	<u>146,300</u>	<u>125,234</u>	<u>120,409</u>	<u>(4,825)</u>

EXHIBIT B (PAGE 15 OF 18)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2008**

	<u>Budget</u>		<u>2008</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over</u>
				<u>(Under)</u>
Ice Arena				
Salaries & Benefits	408,491	416,215	395,551	(20,664)
Personnel Expense	3,300	3,300	3,102	(198)
Occupancy	209,400	212,448	199,922	(12,526)
Communication	2,700	4,700	3,779	(921)
Supplies & Minor Equipment	37,900	44,530	39,876	(4,654)
Transportation	2,200	700	420	(280)
Consultant/Contracted	30,000	24,500	16,563	(7,937)
Other Expenses	2,600	200	200	-
Contra Revenue Accounts	150	150	124	(26)
Total Expenditures	<u>696,741</u>	<u>706,743</u>	<u>659,536</u>	<u>(47,207)</u>
Pool				
Salaries & Benefits	69,751	71,023	70,589	(434)
Occupancy	20,800	17,808	17,622	(186)
Communication	1,300	560	506	(54)
Supplies & Minor Equipment	4,700	3,609	3,425	(184)
Other Expenses	24,200	19,629	18,871	(758)
Total Expenditures	<u>120,751</u>	<u>112,629</u>	<u>111,014</u>	<u>(1,615)</u>
DPW-Ballfields				
Occupancy	1,200	700	596	(104)
Supplies & Minor Equipment	4,700	2,743	2,333	(410)
Other Expenses	7,000	3,375	3,320	(55)
Total Expenditures	<u>12,900</u>	<u>6,818</u>	<u>6,249</u>	<u>(569)</u>
Total Culture, Recreation and Conservation	<u>\$ 3,061,872</u>	<u>\$ 3,021,688</u>	<u>\$ 2,831,992</u>	<u>\$ (189,696)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2008

	<u>Budget</u>		<u>2008</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
HUMAN SERVICES				
County Matches/Subsidies				
Subsidies	\$ 4,484,656	\$ 4,450,588	\$ 4,448,317	\$ (2,271)
Consultant/Contracted	90,000	18,133	19,921	1,788
County Match	2,933,527	3,053,879	2,745,502	(308,377)
Other Expenses	10,000	10,000	9,500	(500)
Contra Revenue Accounts	7,000	7,000	7,660	660
Total Expenditures	<u>7,525,183</u>	<u>7,539,600</u>	<u>7,230,900</u>	<u>(308,700)</u>
Beaver County Transit Authority				
Subsidies	850,500	850,500	850,000	(500)
Contra Revenue Accounts	1,000,000	1,000,000	2,298,908	1,298,908
Total Expenditures	<u>1,850,500</u>	<u>1,850,500</u>	<u>3,148,908</u>	<u>1,298,408</u>
Total Human Services	<u>\$ 9,375,683</u>	<u>\$ 9,390,100</u>	<u>\$10,379,808</u>	<u>\$ 989,708</u>

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2008**

	<u>Budget</u>		<u>2008</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
Debt Service				
Principal	\$ 2,088,159	\$ 2,721,491	\$ 2,718,684	\$ (2,807)
Interest	5,471,519	5,279,648	4,997,227	(282,421)
Other Refunding Bond Issuance Costs	-	-	-	-
Total Expenditures	<u>7,559,678</u>	<u>8,001,139</u>	<u>7,715,911</u>	<u>(285,228)</u>
 Fixed Asset Acquisition and Improvements	 <u>444,466</u>	 <u>486,828</u>	 <u>1,633,676</u>	 <u>1,146,848</u>
 Infrastructure	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 TOTAL EXPENDITURES	 <u>\$ 59,363,021</u>	 <u>\$ 60,097,697</u>	 <u>\$ 59,703,324</u>	 <u>\$ (394,371)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
CAPITAL PROJECTS FUND**

For the Year Ended December 31, 2008

	<u>Budget</u>		<u>2008</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<u>CAPITAL PROJECTS</u>				
2007 Capital Projects Fund				
Revenues				
Interest	\$ 92,000	\$ 92,000	\$ 16,675	\$ (75,325)
Miscellaneous	-	250,000	-	(250,000)
Total Revenues	<u>92,000</u>	<u>342,000</u>	<u>16,675</u>	<u>(75,325)</u>
Expenditures				
Consultant/Contracted Svcs.	-	12,820	12,820	-
Other Expenditures	22,500	47,794	23,651	(24,143)
Capital Outlay	-	1,296,365	1,292,691	(3,674)
Infrastructure	<u>620,017</u>	<u>578,622</u>	<u>118,998</u>	<u>(459,624)</u>
Total Expenditures	<u>642,517</u>	<u>1,935,601</u>	<u>1,448,160</u>	<u>(3,674)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(550,517)	(1,593,601)	(1,431,485)	(71,651)
Fund Balance - January 1, 2008	<u>2,900,837</u>	<u>2,900,837</u>	<u>2,865,850</u>	<u>(34,987)</u>
Fund Balance - December 31, 2008	<u>\$ 2,350,320</u>	<u>\$ 1,307,236</u>	<u>\$ 1,434,365</u>	<u>\$ 127,129</u>

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County of Beaver, Pennsylvania Individual Fund Designations

County Records Improvement

This fund is a requirement of Act 8 of 1998 (42 PS 21052.1). This Act creates an additional fee for the recordation of deeds, the proceeds of which are to be devoted to the improvement of record keeping and record management County-wide. The Act also creates a Record Management Committee, consisting of most County row officers and the Board of Commissioners. The annual budget and expenditures from this fund are to be governed by decision of the Committee.

Recorder of Deeds Records Improvement

The purpose of the Recorder's Record Improvement Fund is to support development and improvement of office records management activities and systems in the office of the Recorder of Deeds. Amounts in the separate fund shall not be used to substitute any allocations of general revenues for the operation of the Recorder's Office without the express consent of the Recorder.

Prothonotary Automation

These funds shall be used solely for the purpose of automating the Prothonotary's Office and any continued automation updates.

Clerk of Courts Automation

These funds shall be used solely for the purpose of automating the Clerk of Courts Office and any continued automation updates.

Register of Wills Automation

The purpose of this fund is to purchase equipment to upgrade or replace machines that are needed to operate the office of the Register of Wills.

Domestic Relations

The IV-D fund is established and administered for the purpose of establishing and the subsequent enforcing of support obligations owed by non-custodial parents to their children and the parent with whom such children are living, locating non-custodial parents, establishing paternity, obtaining child and spousal support, and assuring that assistance in obtaining support will be available for whom such assistance is requested.

Offender's Supervisory

The Offender Supervision Fee is assessed monthly against all offenders placed on probation, parole, Accelerated Rehabilitative Disposition, Probation with Verdict and Intermediate Punishment. Currently, the money is collected by the Clerk of Courts, with 50% being retained by the County and 50% being forwarded to the State. In the first quarter of the following year, 100% of that amount is returned to the County.

County of Beaver, Pennsylvania Individual Fund Designations

Victim Witness

The Victim Witness Assistance Project provides direct/indirect services to all victims of crime in Beaver County. These services include: Criminal Justice Support/Advocacy, Crisis & Follow-Up Counseling, Information/Referral, Court Accompaniment, Victim Compensation Assistance Program Claims, Restitution, Sentencing & Prison Notifications, Property Return, Witness Management, and Victim Impact Statements.

Hazardous Materials/Act 147 Grants

This fund is responsible for upgrading the County's Hazardous Materials Response Team which services all of Beaver County and provides containment of spills until private contractors arrive for clean-up. Act 147 Funds are also recorded here and are used to better prepare Beaver County for a possible accident at the Beaver Valley Nuclear Power Station. Nearly half of the funds go back to the municipality that are with-in a ten mile radius of the plant for traffic control devices, radio equipment and other items necessary to complete an effective evacuation of the area.

Liquid Fuels

The purpose of the Liquid Fuels Fund is for construction, maintenance, and repair of County roads and bridges and services pertaining to such.

Office on Aging

The purpose of the Beaver County Office on Aging (BCOA), is to plan and deliver a comprehensive system of social services for the citizens of Beaver County who are over age 60. BCOA operates under the direction of the County Commissioners to identify the needs in the communities, ensure the provision of quality services, preserve the dignity of the individual and advocate for their rights. BCOA provides and contracts for case management, home and community based care, recreation, health and wellness activities, congregate and home delivered meals, PDA waiver, nursing home diversion, protective services, senior center services and other programs that ensure the safety, independence and well being of older persons.

Childcare Resource Management

The Pennsylvania Department of Public Welfare, through its Childcare Information Service Agencies, administers the Subsidized Child Day Care Program for low income families and makes resources and referral services available to all citizens of Pennsylvania. Childcare Information Service Agencies are dedicated to provide all services courteously, to help families receive all of the services for which they are eligible, and to help families access all needed resources in a community.

County of Beaver, Pennsylvania Individual Fund Designations

Tourist Promotion

The Tourism Fund is funded through the County's hotel/motel occupancy tax, which is 3% of gross receipts tax collected by innkeepers within the County from each transaction of renting a sleeping room(s) to transients. By ordinance, the recognized tourist promotion agency shall only use these tax revenues to directly fund County-wide tourist promotion activities and its operational expenses. The Tourism Department also applies for state tourism grants on a yearly basis from the Department of Economic Development, which specifies by law how those funds can be used relative to regional or county tourism promotional activities.

Courtroom Improvement

This fund was re-established in 2008 for the purpose of funding court office capital improvements and establishing funding obligations and methods for the court. It is funded by monies remaining in the DUI cost center, consisting of revenue over expenditures. These funds are transferred annually at the close of the books by the County Controller.

FAA Projects

This fund was established for the County of Beaver to track grant funds received from the Federal Aviation Administration and PaDOT, Bureau of Aviation. These funds are for development, improvement, rehabilitation, equipment acquisition and planning projects at the Beaver County Airport.

County of Beaver, Pennsylvania

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2008**

	County Records Improvement	Recorder of Deeds Records Improvement	Prothonotary Automation	Clerk of Courts Automation	Register of Wills Automation	Domestic Relations
ASSETS						
Cash and Cash Equivalents	\$ 47,925	\$ 105,022	\$ 76,237	\$ 19,386	\$ 17,657	\$ 24,378
Due From Other Funds	-	-	-	-	-	-
Prepaid Other	-	-	-	-	-	-
Accounts Receivable	2,910	4,365	1,330	733	604	431,485
Investments	-	-	-	-	-	-
TOTAL ASSETS	\$ 50,835	\$ 109,387	\$ 77,567	\$ 20,119	\$ 18,261	\$ 455,863
LIABILITIES						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,528
Due to Other Funds	-	-	669	-	-	415,876
Accrued Other Liabilities	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	669	-	-	418,404
FUND BALANCE						
Unreserved, designated for encumbrances	24,888	-	-	-	-	-
Unreserved, undesignated	25,947	109,387	76,898	20,119	18,261	37,459
TOTAL FUND BALANCE	50,835	109,387	76,898	20,119	18,261	37,459
TOTAL LIABILITIES AND FUND BALANCE	\$ 50,835	\$ 109,387	\$ 77,567	\$ 20,119	\$ 18,261	\$ 455,863

Special Revenue

Offender's Supervisory	Victim Witness	Hazardous Materials/ Act 147 Grants	Liquid Fuels	Office on Aging	Childcare Resource Management	Tourist Promotion	Total
\$ 148	\$ 2,361	\$ 198,549	\$1,826,539	\$ 1,791,127	\$ 807,179	\$ 82,710	\$4,999,219
-	-	-	-	-	-	-	-
25,806	51,133	3,120	345,097	10,811	7,331	-	18,142
-	-	-	-	177,249	-	21,170	1,065,002
<u>\$ 25,954</u>	<u>\$ 53,494</u>	<u>\$ 201,669</u>	<u>\$2,171,636</u>	<u>\$ 1,979,187</u>	<u>\$ 814,511</u>	<u>\$ 103,880</u>	<u>\$6,082,363</u>
\$ -	\$ 1,616	\$ 1,809	\$ 205,201	\$ 170,957	\$ 683,622	\$ 8,642	\$1,074,374
-	57,937	4,590	1,340	66,487	13,421	2,715	563,035
-	-	-	-	393,000	-	-	393,000
-	-	162,645	481,790	-	-	-	644,435
-	59,553	169,044	688,331	630,444	697,043	11,356	2,674,844
25,954	(6,058)	-	220,733	5,130	-	-	250,751
-	-	32,626	1,262,572	1,343,613	117,467	92,524	3,156,768
25,954	(6,058)	32,626	1,483,305	1,348,743	117,467	92,524	3,407,519
<u>\$ 25,954</u>	<u>\$ 53,494</u>	<u>\$ 201,669</u>	<u>\$2,171,636</u>	<u>\$ 1,979,187</u>	<u>\$ 814,511</u>	<u>\$ 103,880</u>	<u>\$6,082,363</u>

County of Beaver, Pennsylvania

**COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2008**

	<u>Capital Projects</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Courtroom Improvement</u>	<u>FAA Projects</u>	<u>Total</u>	
ASSETS				
Cash and Cash Equivalents	\$ 7,711	\$ 7,914	\$ 15,626	\$ 5,014,845
Due From Other Funds	220,560	-	220,560	220,560
Prepaid Other	-	-	-	18,142
Accounts Receivable	-	-	-	1,065,002
Investments	-	-	-	-
TOTAL ASSETS	\$ 228,271	\$ 7,914	\$ 236,185	\$ 6,318,549
LIABILITIES				
Accounts Payable	\$ 7,125	\$ 5,048	\$ 12,173	\$ 1,086,547
Due to Other Funds	-	-	-	563,035
Accrued Other Liabilities	-	-	-	393,000
Deferred Revenue	-	1,784	1,784	646,219
TOTAL LIABILITIES	7,125	6,832	13,957	2,688,801
FUND BALANCE				
Unreserved, designated for encumbrances	-	-	-	250,751
Unreserved, undesignated	221,146	1,083	222,229	3,378,997
TOTAL FUND BALANCE	221,146	1,083	222,229	3,629,748
TOTAL LIABILITIES AND FUND BALANCE	\$ 228,271	\$ 7,914	\$ 236,185	\$ 6,318,549

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County of Beaver, Pennsylvania

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2008**

	<u>County Records Improvement</u>	<u>Recorder of Deeds Records Improvement</u>	<u>Prothonetary Automation</u>	<u>Clerk of Courts Automation</u>	<u>Register of Wills Automation</u>	<u>Domestic Relations</u>
REVENUES						
Investment Income	\$ 2,668	\$ 2,682	\$ 2,118	\$ 410	\$ 802	\$ 920
Intergovernmental	-	-	-	-	-	2,128,101
Departmental Earnings	44,254	66,381	19,970	8,591	10,399	48,658
Local Hotel Room Tax	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
TOTAL REVENUES	46,922	69,063	22,088	9,002	11,201	2,177,678
EXPENDITURES						
Current						
General Government	-	141,043	24,490	1,273	2,125	-
Judicial	-	-	-	-	-	2,209,800
Public Safety	-	-	-	-	-	-
Public Works and Enterprises	-	-	-	-	-	-
Culture Recreation & Conservation	-	-	-	-	-	-
Intergovernmental						
Operating / Human Services	-	-	-	-	-	-
Debt Service						
Interest	-	-	-	-	-	-
Capital Outlay						
Infrastructure	-	-	-	-	-	-
Fixed Asset Acquisition	110,746	6,260	-	-	17,764	3,709
TOTAL EXPENDITURES	110,746	147,303	24,490	1,273	19,889	2,213,508
Excess (Deficiency) of Revenue Over (Under) Expenditures	(63,824)	(78,241)	(2,402)	7,729	(8,688)	(35,830)
OTHER FINANCING SOURCES (USES)						
Transfer From Other Funds	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
Net Changes in Fund Balances	(63,824)	(78,241)	(2,402)	7,729	(8,688)	(35,830)
Fund Balance - Beginning	114,659	187,627	79,300	12,390	26,948	73,289
Fund Balance - Ending	\$ 50,835	\$ 109,387	\$ 76,898	\$ 20,119	\$ 18,261	\$ 37,459

EXHIBIT E (PAGE 1 OF 3)

Special Revenue

Offender's Supervisory	Victim Witness	Hazardous Materials/ Act 147 Grants	Liquid Fuels	Office on Aging	Childcare Resource Management	Tourist Promotion	Total
\$ 2,663	\$ 1,065	\$ 3,151	\$ 41,462	\$ 45,540	\$ 12,216	\$ 2,183	\$ 117,881
267,715	190,765	152,238	1,020,322	5,585,484	9,203,951	27,827	18,576,402
277,869	-	-	27,825	60,976	-	14,028	578,951
-	-	-	-	-	-	243,930	243,930
-	-	6,550	-	-	-	-	6,550
548,247	191,830	161,939	1,089,609	5,692,000	9,216,167	287,968	19,523,714
-	-	-	-	-	-	-	168,930
547,000	183,744	-	-	-	-	-	2,940,544
-	-	120,324	-	-	-	-	120,324
-	-	-	366,631	-	-	-	366,631
-	-	-	-	-	-	276,272	276,272
-	-	-	-	5,336,221	9,172,390	-	14,508,611
-	-	-	-	-	-	-	-
14,678	7,295	47,643	901,975	108,541	8,579	5,725	901,975
561,678	191,039	167,967	1,268,607	5,444,762	9,180,969	281,997	19,614,228
(13,431)	791	(6,028)	(178,997)	247,238	35,198	5,972	(90,514)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(13,431)	791	(6,028)	(178,997)	247,238	35,198	5,972	(90,514)
39,386	(6,849)	38,654	1,662,302	1,101,505	82,269	86,552	3,498,032
\$ 25,954	\$ (6,058)	\$ 32,626	\$ 1,483,305	\$ 1,348,743	\$ 117,467	\$ 92,524	\$ 3,407,520

EXHIBIT E (PAGE 2 OF 3)

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2008**

	<u>Capital Projects</u>			<u>Total Nonmajor Governmental Total</u>
	<u>Courtroom Improvement</u>	<u>FAA Project</u>	<u>Total</u>	
REVENUES				
Investment Income	\$ 22	\$ 472	\$ 494	\$ 118,375
Intergovernmental	-	61,707	61,707	18,638,109
Departmental Earnings	-	-	-	578,951
Local Hotel Room Tax	-	-	-	243,930
Miscellaneous	-	-	-	6,550
TOTAL REVENUES	22	62,179	62,202	19,585,915
EXPENDITURES				
Current				
General Government	-	-	-	168,930
Judicial	-	-	-	2,940,544
Public Safety	-	-	-	120,324
Public Works and Enterprises	-	414	414	367,045
Culture Recreation & Conservation	-	-	-	276,272
Intergovernmental	-	-	-	-
Operating / Human Services	-	-	-	14,508,611
Debt Service	-	-	-	-
Interest	-	-	-	-
Capital Outlay	-	-	-	-
Infrastructure	-	61,748	61,748	963,724
Fixed Asset Acquisition	29,775	-	29,775	360,716
TOTAL EXPENDITURES	29,775	62,162	91,937	19,706,165
Excess (Deficiency) of Revenue Over (Under) Expenditures	(29,753)	17	(29,735)	(120,249)
OTHER FINANCING SOURCES (USES)				
Transfer From Other Funds	250,899	-	250,899	250,899
TOTAL OTHER FINANCING SOURCES (USES)	250,899	-	250,899	250,899
Net Changes in Fund Balances	221,146	17	221,163	130,650
Fund Balance - Beginning	-	1,066	1,066	3,499,099
Fund Balance - Ending	\$ 221,146	\$ 1,083	\$ 222,229	\$ 3,629,748

EXHIBIT E (PAGE 3 OF 3)

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County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2008**

	<u>Budget</u>		<u>2008</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<u>GENERAL GOVERNMENT</u>				
County Records Improvement				
Revenues				
Departmental Earnings	\$ 48,000	\$ 48,000	\$ 44,254	\$ (3,746)
Interest	4,200	4,200	2,668	(1,532)
Total Revenues	<u>52,200</u>	<u>52,200</u>	<u>46,922</u>	<u>(5,278)</u>
Expenditures				
Capital Outlay	-	157,070	110,746	(46,324)
Total Expenditures	<u>-</u>	<u>157,070</u>	<u>110,746</u>	<u>(46,324)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	52,200	(104,870)	(63,824)	41,046
Fund Balance - January 1, 2008	<u>80,000</u>	<u>80,000</u>	<u>114,659</u>	<u>34,659</u>
Fund Balance - December 31, 2008	<u>\$ 132,200</u>	<u>\$ (24,870)</u>	<u>\$ 50,835</u>	<u>\$ 75,705</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2008**

	<u>Budget</u>		<u>2008</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over</u>
				<u>(Under)</u>
<u>GENERAL GOVERNMENT</u>				
Recorder of Deeds Records Improvement				
Revenues				
Departmental Earnings	\$ 85,000	\$ 85,000	\$ 66,381	\$ (18,619)
Interest	3,500	3,500	2,682	(818)
Total Revenues	<u>88,500</u>	<u>88,500</u>	<u>69,063</u>	<u>(19,437)</u>
Expenditures				
Supplies & Minor Equip.	7,500	7,500	3,315	(4,185)
Transportation	5,000	5,000	3,313	(1,687)
Consultant/Contracted Svcs.	100,000	228,055	134,414	(93,641)
Capital Outlay	-	6,300	6,260	(40)
Total Expenditures	<u>112,500</u>	<u>246,855</u>	<u>147,303</u>	<u>(99,552)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(24,000)	(158,355)	(78,241)	80,114
Fund Balance - January 1, 2008	<u>40,000</u>	<u>40,000</u>	<u>187,627</u>	<u>147,627</u>
Fund Balance - December 31, 2008	<u>\$ 16,000</u>	<u>\$ (118,355)</u>	<u>\$ 109,387</u>	<u>\$ 227,742</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2008**

	<u>Budget</u>		<u>2008</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<u>GENERAL GOVERNMENT</u>				
Prothonotary Automation				
Revenues				
Departmental Earnings	\$ 18,000	\$ 18,000	\$ 19,970	\$ 1,970
Interest	2,400	2,400	2,118	(282)
Total Revenues	<u>20,400</u>	<u>20,400</u>	<u>22,088</u>	<u>1,688</u>
Expenditures				
Salaries & Benefits	21,730	21,730	18,989	(2,741)
Transportation	3,000	8,000	5,500	(2,500)
Total Expenditures	<u>24,730</u>	<u>29,730</u>	<u>24,490</u>	<u>(5,240)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(4,330)	(9,330)	(2,402)	6,928
Fund Balance - January 1, 2008	<u>78,000</u>	<u>78,000</u>	<u>79,300</u>	<u>1,300</u>
Fund Balance - December 31, 2008	<u>\$ 73,670</u>	<u>\$ 68,670</u>	<u>\$ 76,898</u>	<u>\$ 8,228</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2008**

	<u>Budget</u>		<u>2008</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<u>GENERAL GOVERNMENT</u>				
Clerk of Courts Automation				
Revenues				
Departmental Earnings	\$ 9,000	\$ 9,000	\$ 8,591	\$ (409)
Interest	290	290	410	120
Total Revenues	<u>9,290</u>	<u>9,290</u>	<u>9,002</u>	<u>(288)</u>
Expenditures				
Supplies & Minor Equip.	-	1,273	1,273	-
Transportation	5,000	5,000	-	-
Consultant/Contracted Svcs.	2,000	2,000	-	(2,000)
Capital Outlay	10,000	10,000	-	(10,000)
Total Expenditures	<u>17,000</u>	<u>18,273</u>	<u>1,273</u>	<u>(12,000)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(7,710)	(8,983)	7,729	11,712
Fund Balance - January 1, 2008	<u>10,000</u>	<u>10,000</u>	<u>12,390</u>	<u>2,390</u>
Fund Balance - December 31, 2008	<u>\$ 2,290</u>	<u>\$ 1,017</u>	<u>\$ 20,119</u>	<u>\$ 14,101</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2008**

	<u>Budget</u>		<u>2008</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<u>GENERAL GOVERNMENT</u>				
Register of Wills Automation				
Revenues				
Departmental Earnings	\$ 9,000	\$ 9,000	\$ 10,399	\$ 1,399
Interest	30	30	802	772
Total Revenues	<u>9,030</u>	<u>9,030</u>	<u>11,201</u>	<u>2,171</u>
Expenditures				
Supplies & Minor Equip.	-	-	-	-
Communications	-	2,125	2,125	-
Capital Outlay	9,800	27,800	17,764	(10,036)
Total Expenditures	<u>9,800</u>	<u>29,925</u>	<u>19,889</u>	<u>(10,036)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(770)	(20,895)	(8,688)	12,207
Fund Balance - January 1, 2008	<u>29,000</u>	<u>29,000</u>	<u>26,948</u>	<u>(2,052)</u>
Fund Balance - December 31, 2008	<u>\$ 28,230</u>	<u>\$ 8,105</u>	<u>\$ 18,261</u>	<u>\$ 10,156</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2008**

	Budget		2008	Variance
	Original	Final	Actual	Over (Under)
JUDICIAL				
Domestic Relations				
Revenues				
Intergovernmental	\$ 2,263,496	\$ 2,310,755	\$ 2,128,101	\$ (182,654)
Departmental Earnings	55,000	55,000	48,658	(6,342)
Interest	4,000	4,000	920	(3,080)
Total Revenues	<u>2,322,496</u>	<u>2,369,755</u>	<u>2,177,678</u>	<u>(192,077)</u>
Expenditures				
Salaries & Benefits	1,938,301	1,945,537	1,941,971	(3,566)
Personnel Expense	13,800	14,488	9,213	(5,275)
Occupancy	1,188	1,188	1,152	(36)
Communication	50,700	50,775	46,851	(3,924)
Supplies & Minor Equip.	25,000	30,400	24,223	(6,177)
Transportation	9,500	9,500	5,625	(3,875)
Consultant/Contracted Svc	21,000	13,101	20,788	7,687
Other Expenditures	253,054	253,054	159,977	(93,077)
Capital Outlay	11,700	6,200	3,709	(2,491)
Total Expenditures	<u>2,324,243</u>	<u>2,324,243</u>	<u>2,213,508</u>	<u>(110,735)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(1,747)	45,512	(35,830)	(81,342)
Fund Balance - January 1, 2008	<u>1,747</u>	<u>1,747</u>	<u>73,289</u>	<u>71,542</u>
Fund Balance - December 31, 2008	<u>\$ -</u>	<u>\$ 47,259</u>	<u>\$ 37,459</u>	<u>\$ (9,800)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2008**

	<u>Budget</u>		<u>2008</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
JUDICIAL				
Offender's Supervisory				
Revenues				
Departmental Earnings	\$ 264,840	\$ 264,840	\$ 277,869	\$ 13,029
Intergovernmental	264,840	332,840	267,715	(65,125)
Interest	9,000	9,000	2,663	(6,337)
Total Revenues	<u>538,680</u>	<u>606,680</u>	<u>548,247</u>	<u>(58,433)</u>
Expenditures				
Capital Outlay	-	58,714	14,678	
Reimburse Other Funds	<u>538,680</u>	<u>547,966</u>	<u>547,000</u>	<u>(966)</u>
Total Expenditures	<u>538,680</u>	<u>606,680</u>	<u>561,678</u>	<u>(966)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	-	-	(13,431)	(57,467)
Fund Balance - January 1, 2008	<u>-</u>	<u>-</u>	<u>39,386</u>	<u>39,386</u>
Fund Balance - December 31, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,954</u>	<u>\$ (18,081)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2008**

	<u>Budget</u>		<u>2008</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<u>JUDICIAL</u>				
Victim Witness				
Revenues				
Intergovernmental	\$ 190,633	\$ 190,633	\$ 190,765	\$ 132
Interest	1,000	1,000	1,065	65
Total Revenues	<u>191,633</u>	<u>191,633</u>	<u>191,830</u>	<u>197</u>
Expenditures				
Salaries & Benefits	169,306	169,206	166,384	(2,822)
Personnel Expense	-	72	71	-
Communication	600	833	559	(274)
Supplies & Minor Equip.	1,618	2,722	2,108	(614)
Transportation	3,768	3,768	3,371	(397)
Other Expenditures	11,250	11,250	11,250	-
Capital Outlay	-	7,296	7,295	(1)
Total Expenditures	<u>186,542</u>	<u>195,147</u>	<u>191,039</u>	<u>(4,107)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	5,091	(3,514)	791	4,304
Fund Balance - January 1, 2008	<u>8,051</u>	<u>8,051</u>	<u>(6,849)</u>	<u>(14,900)</u>
Fund Balance - December 31, 2008	<u>\$ 13,142</u>	<u>\$ 4,537</u>	<u>\$ (6,058)</u>	<u>\$ (10,596)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2008**

	<u>Budget</u>		<u>2008</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<u>PUBLIC SAFETY</u>				
Hazardous Materials / Act 147 Grants				
Revenues				
Intergovernmental	\$ 151,365	\$ 154,365	\$ 152,238	\$ (2,127)
Interest	1,900	1,900	3,151	1,251
Miscellaneous	-	100,100	6,550	(93,550)
Total Revenues	<u>153,265</u>	<u>256,365</u>	<u>161,939</u>	<u>(94,426)</u>
Expenditures				
Salaries & Benefits	2,000	2,610	2,610	-
Personnel Expense	10,500	5,890	1,780	(4,110)
Consultant/Contracted Sr	-	3,100	3,100	-
Occupancy	12,400	14,900	13,874	(1,026)
Communication	40,500	20,500	18,528	(1,972)
Supplies & Minor Equipme	31,500	38,226	19,339	(18,887)
Transportation	5,000	9,000	3,398	(5,602)
Other Expenditures	57,750	166,050	57,694	(108,356)
Capital Outlay	29,000	49,344	47,643	-
Total Expenditures	<u>188,650</u>	<u>309,620</u>	<u>167,967</u>	<u>(139,952)</u>
Excess (Deficiency) of Revenue				
Over (Under) Expenditure	(35,385)	(53,255)	(6,028)	45,526
Fund Balance -				
January 1, 2008	<u>58,320</u>	<u>58,320</u>	<u>38,654</u>	<u>(19,666)</u>
Fund Balance -				
December 31, 2008	<u>\$ 22,935</u>	<u>\$ 5,065</u>	<u>\$ 32,626</u>	<u>\$ 25,860</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2008**

	<u>Budget</u>		<u>2008</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<u>PUBLIC WORKS</u>				
Liquid Fuels				
Revenues				
Intergovernmental	\$ 2,269,000	\$ 2,269,000	\$ 1,020,322	\$ (1,248,678)
Departmental Earnings	50,700	50,700	27,825	(22,875)
Interest	45,000	45,000	41,462	(3,538)
Total Revenues	<u>2,364,700</u>	<u>2,364,700</u>	<u>1,089,609</u>	<u>(1,275,091)</u>
Expenditures				
Salaries & Benefits	48,457	48,534	47,494	(1,040)
Personnel Expense	518	441	18	(423)
Consultant/Contracted Svcs	151,000	198,934	51,921	(147,013)
Communication	3,320	3,320	1,819	(1,501)
Supplies & Minor Equip.	14,500	16,817	3,743	(13,074)
Transportation	3,000	3,000	965	(2,035)
Other Expenditures	427,500	425,183	260,673	(164,510)
Infrastructure	<u>2,525,000</u>	<u>3,344,640</u>	<u>901,975</u>	<u>(2,442,665)</u>
Total Expenditures	<u>3,173,295</u>	<u>4,040,869</u>	<u>1,268,607</u>	<u>(2,772,262)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(808,595)	(1,676,169)	(178,997)	1,497,172
Fund Balance - January 1, 2008	<u>1,484,243</u>	<u>1,484,243</u>	<u>1,662,302</u>	<u>178,059</u>
Fund Balance - December 31, 2008	<u>\$ 675,648</u>	<u>\$ (191,926)</u>	<u>\$ 1,483,305</u>	<u>\$ 1,675,231</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2008**

	<u>Budget</u>		<u>2008</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<u>HUMAN SERVICES</u>				
Office on Aging				
Revenues				
Intergovernmental	\$ 5,163,207	\$ 5,163,207	\$ 5,585,484	\$ 422,277
Departmental Earnings	75,100	75,100	60,976	(14,124)
Interest	47,500	47,500	45,540	(1,960)
Total Revenues	<u>5,285,807</u>	<u>5,285,807</u>	<u>5,692,000</u>	<u>406,193</u>
Expenditures				
Reimbursement to State	150,000	434,315	434,315	-
Salaries & Benefits	2,442,139	2,378,484	2,245,084	(133,400)
Personnel Expense	19,250	22,930	18,185	(4,745)
Consultant/Contracted Svcs	199,000	182,707	114,195	(68,512)
Sub Contracted Services	2,351,389	2,136,842	2,136,842	-
Occupancy	188,238	174,738	166,876	(7,862)
Communication	41,000	40,000	24,807	(15,193)
Supplies & Minor Equip.	95,500	103,668	70,959	(32,709)
Transportation	33,650	32,440	24,017	(8,423)
Other Expenditures	104,043	110,253	100,942	(9,311)
Capital Outlay	120,000	125,700	108,541	(17,159)
Total Expenditures	<u>5,744,209</u>	<u>5,742,077</u>	<u>5,444,762</u>	<u>(297,314)</u>
Excess (Deficiency) of Revenue				
Over (Under) Expenditures	(458,402)	(456,270)	247,238	703,508
Fund Balance -				
January 1, 2008	<u>528,474</u>	<u>528,474</u>	<u>1,101,505</u>	<u>573,031</u>
Fund Balance -				
December 31, 2008	<u>\$ 70,072</u>	<u>\$ 72,204</u>	<u>\$ 1,348,743</u>	<u>\$ 1,276,538</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2008**

	<u>Budget</u>		<u>2008</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<u>HUMAN SERVICES</u>				
Childcare Resource Management				
Revenues				
Intergovernmental	\$10,768,656	\$10,768,656	\$ 9,203,951	\$ (1,564,705)
Interest	26,280	26,280	12,216	(14,064)
Total Revenues	<u>10,794,936</u>	<u>10,794,936</u>	<u>9,216,167</u>	<u>(1,578,769)</u>
Expenditures				
Reimbursement to State	-	200,000	97,294	(102,706)
Salaries & Benefits	649,451	650,465	512,330	(138,135)
Personnel Expense	3,100	3,100	420	(2,680)
Consultant/Contracted Svcs	17,000	27,978	16,862	(11,116)
Sub Contracted Services	9,791,913	9,791,913	8,306,915	(1,484,998)
Occupancy	77,211	77,619	76,009	(1,610)
Communication	24,100	25,100	15,146	(9,954)
Supplies & Minor Equip.	45,000	50,000	35,235	(14,765)
Transportation	3,500	3,500	1,897	(1,603)
Other Expenditures	195,707	195,707	110,281	(85,426)
Capital Outlay	15,000	20,000	8,579	(11,421)
Total Expenditures	<u>10,821,982</u>	<u>11,045,382</u>	<u>9,180,969</u>	<u>(1,864,413)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(27,046)	(250,446)	35,198	285,644
Fund Balance - January 1, 2008	<u>600,000</u>	<u>600,000</u>	<u>82,269</u>	<u>(517,731)</u>
Fund Balance - December 31, 2008	<u>\$ 572,954</u>	<u>\$ 349,554</u>	<u>\$ 117,467</u>	<u>\$ (232,087)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2008**

	<u>Budget</u>		<u>2008</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
RECREATION				
Tourist Promotion				
Revenues				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 27,827	\$ (12,173)
Departmental Earnings	7,250	7,250	14,028	6,778
Local Hotel Room Tax	230,000	230,000	243,930	13,930
Interest	80	80	2,183	2,103
Total Revenues	<u>277,330</u>	<u>277,330</u>	<u>287,968</u>	<u>10,638</u>
Expenditures				
Salaries & Benefits	86,742	86,742	81,129	(5,613)
Personnel Expense	4,150	4,224	4,190	(34)
Consultant/Contracted Srvc	21,000	36,186	28,074	(8,112)
Communication	113,240	124,635	121,125	(3,510)
Supplies & Minor Equip.	3,000	2,925	2,925	-
Transportation	6,000	7,500	7,415	(85)
Other Expenditures	51,250	36,486	31,413	(5,073)
Capital Outlay	6,500	6,040	5,725	(315)
Total Expenditures	<u>291,882</u>	<u>304,738</u>	<u>281,997</u>	<u>(22,741)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(14,552)	(27,408)	5,972	33,380
Fund Balance - January 1, 2008	<u>40,000</u>	<u>40,000</u>	<u>86,552</u>	<u>46,552</u>
Fund Balance - December 31, 2008	<u>\$ 25,448</u>	<u>\$ 12,592</u>	<u>\$ 92,524</u>	<u>\$ 79,931</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2008**

	<u>Budget</u>		<u>2008</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<u>CAPITAL PROJECTS</u>				
Courtroom Improvement				
Revenues				
Interest	\$ 500	\$ 500	\$ 22	\$ (478)
Total Revenues	<u>500</u>	<u>500</u>	<u>22</u>	<u>(478)</u>
Expenditures				
Capital Outlay	<u>40,000</u>	<u>40,000</u>	<u>29,775</u>	<u>(10,225)</u>
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>29,775</u>	<u>(10,225)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(39,500)	(39,500)	(29,753)	9,747
Other Financing Sources (Uses)				
Transfers From Other Funds	<u>118,250</u>	<u>118,250</u>	<u>250,899</u>	<u>132,649</u>
Total Financing Sources (Uses)	<u>118,250</u>	<u>118,250</u>	<u>250,899</u>	<u>132,649</u>
Fund Balance - January 1, 2008	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>
Fund Balance - December 31, 2008	<u>\$ 118,750</u>	<u>\$ 118,750</u>	<u>\$ 221,146</u>	<u>\$ 102,396</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2008**

	Budget		2008	Variance
	Original	Final	Actual	Over (Under)
<u>CAPITAL PROJECTS</u>				
FAA Projects				
Revenues				
Intergovernmental	\$ 59,086	\$ 59,086	\$ 61,707	\$ 2,621
Interest	60	474	472	(2)
Total Revenues	<u>59,146</u>	<u>59,560</u>	<u>62,179</u>	<u>2,619</u>
Expenditures				
Communication	2,583	2,583	-	(2,583)
Other Expenditures	-	414	414	-
Infrastructure	85,060	85,060	61,748	(23,312)
Total Expenditures	<u>87,643</u>	<u>88,057</u>	<u>62,162</u>	<u>(25,895)</u>
Excess (Deficiency) Revenue Over (Under) Expenditures	(28,497)	(28,497)	17	28,514
Fund Balance - January 1, 2008	<u>28,497</u>	<u>28,497</u>	<u>1,066</u>	<u>(27,431)</u>
Fund Balance - December 31, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,083</u>	<u>\$ (27,431)</u>

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
December 31, 2008**

	<u>Medical Fund</u>	<u>Workers' Compensation Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$ 537,054	\$ 111,647	\$ 648,701
Receivables	10,617	48,944	59,561
Prepaid Expenses	74,530	-	74,530
Total current assets	<u>622,201</u>	<u>160,591</u>	<u>782,792</u>
TOTAL ASSETS	<u>\$ 622,201</u>	<u>\$ 160,591</u>	<u>\$ 782,792</u>
LIABILITIES			
Current liabilities:			
Accounts Payable	\$ 40,529	\$ 18,328	\$ 58,857
Accrued Employee Benefits	341,514	115,829	457,343
Due to Other Funds	-	-	-
Total current liabilities	<u>382,043</u>	<u>134,157</u>	<u>516,200</u>
TOTAL LIABILITIES	<u>382,043</u>	<u>134,157</u>	<u>516,200</u>
NET ASSETS			
Unrestricted	<u>240,158</u>	<u>26,434</u>	<u>266,592</u>
TOTAL NET ASSETS	<u>\$ 240,158</u>	<u>\$ 26,434</u>	<u>\$ 266,592</u>

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2008**

	<u>Medical Fund</u>	<u>Workers' Compensation Fund</u>	<u>Total</u>
OPERATING REVENUES			
Charges for Services	\$ 8,072,223	\$ 1,477,952	\$ 9,550,176
OPERATING EXPENSES			
Costs of Services	7,077,386	268,021	7,345,407
Administrative	160,229	489,138	649,367
Total Operating Expenses	<u>7,237,615</u>	<u>757,159</u>	<u>7,994,774</u>
OPERATING INCOME (LOSS)	834,608	720,793	1,555,401
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	<u>15,344</u>	<u>2,007</u>	<u>17,351</u>
Total Non-Operating Revenue (Expenses)	<u>15,344</u>	<u>2,007</u>	<u>17,351</u>
Income (Loss) Before Transfers	849,952	722,800	1,572,752
Change in net assets	849,952	722,800	1,572,752
Total net assets - beginning	<u>(609,794)</u>	<u>(696,366)</u>	<u>(1,306,160)</u>
Total net assets - ending	<u>\$ 240,158</u>	<u>\$ 26,434</u>	<u>\$ 266,592</u>

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2008**

	Medical Fund	Workers' Compensation Fund	Total
Cash Flows from Operating Activities:			
Cash receipts for services provided	\$ 8,075,897	\$ 1,449,061	\$ 9,524,958
Cash payments to suppliers	(7,274,959)	(1,128,518)	(8,403,477)
Cash payments to General Fund	(317,248)	(252,266)	(569,514)
Net Cash Provided by Operating Activities	<u>483,690</u>	<u>68,277</u>	<u>551,967</u>
Cash Flows from Investing Activities:			
Investment income	<u>15,344</u>	<u>2,007</u>	<u>17,351</u>
Net Cash Provided by (Used in) Investing Activities	<u>15,344</u>	<u>2,007</u>	<u>17,351</u>
Net increase (decrease) in cash and cash equivalents	499,034	70,284	569,318
Cash and cash equivalents at beginning of year	38,020	41,363	79,383
Cash and cash equivalents at end of year	<u>\$ 537,054</u>	<u>\$ 111,647</u>	<u>\$ 648,701</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$ 834,608	\$ 720,793	\$ 1,555,401
Change in operating assets and liabilities:			
Accounts receivable and due from other funds	3,674	(28,891)	(25,217)
Prepaid expenses	(3,200)	-	(3,200)
Accounts payable and due to other funds	(317,248)	(252,266)	(569,514)
Accrued liabilities	(34,144)	(371,359)	(405,503)
Net Cash Provided by (Used In) Operating Activities	<u>\$ 483,690</u>	<u>\$ 68,277</u>	<u>\$ 551,967</u>

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

For the Year Ended December 31, 2008

	Balance January 1, 2008	Additions	Deductions	Balance December 31, 2008
Clerk of Courts				
ASSETS				
Cash and cash equivalents	\$ 167,979	2,567,742	2,542,814	\$ 192,907
	<u>167,979</u>	<u>2,567,742</u>	<u>2,542,814</u>	<u>192,907</u>
LIABILITIES				
Accounts Payable	150,924	2,541,203	2,525,759	166,368
Due to Other Funds	17,055	26,539	17,055	26,539
	<u>\$ 167,979</u>	<u>2,567,742</u>	<u>2,542,814</u>	<u>\$ 192,907</u>
 Domestic Relations - Support Payments				
ASSETS				
Cash and cash equivalents	\$ 74,622	443,660	404,627	\$ 113,655
	<u>74,622</u>	<u>443,660</u>	<u>404,627</u>	<u>113,655</u>
LIABILITIES				
Accounts Payable	74,622	443,660	404,627	113,655
	<u>\$ 74,622</u>	<u>443,660</u>	<u>404,627</u>	<u>\$ 113,655</u>
 Other Escrow				
ASSETS				
Cash and cash equivalents	\$ 167,836	321,501	350,812	\$ 138,525
Investments	297,849	-	-	297,849
Accounts Receivable	1,731	158	1,731	158
	<u>467,416</u>	<u>321,659</u>	<u>352,543</u>	<u>436,532</u>
LIABILITIES				
Accounts Payable	467,416	321,659	352,543	436,532
	<u>\$ 467,416</u>	<u>321,659</u>	<u>352,543</u>	<u>\$ 436,532</u>
 Recorder of Deeds				
ASSETS				
Cash and cash equivalents	\$ 255,937	11,898,045	11,927,783	\$ 226,199
Accounts Receivable - State	5,138	1,587	5,138	1,587
	<u>261,075</u>	<u>11,899,632</u>	<u>11,932,921</u>	<u>227,786</u>
LIABILITIES				
Accounts Payable	255,237	11,895,267	11,927,083	223,421
Due to Other Funds	5,838	4,365	5,838	4,365
	<u>\$ 261,075</u>	<u>11,899,632</u>	<u>11,932,921</u>	<u>\$ 227,786</u>
 Register of Wills				
ASSETS				
Cash and cash equivalents	\$ 125,227	10,719,271	10,621,836	\$ 222,662
Accounts Receivable - State	7,724	3,970	7,724	3,970
	<u>132,951</u>	<u>10,723,241</u>	<u>10,629,560</u>	<u>226,632</u>
LIABILITIES				
Accounts Payable	132,951	10,723,241	10,629,560	226,632
	<u>\$ 132,951</u>	<u>10,723,241</u>	<u>10,629,560</u>	<u>\$ 226,632</u>

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

For the Year Ended December 31, 2008

	Balance January 1, 2008	Additions	Deductions	Balance December 31, 2008
Sheriff				
ASSETS				
Cash and cash equivalents	\$ 388,307	23,453,093	23,433,093	\$ 408,307
	<u>388,307</u>	<u>23,453,093</u>	<u>23,433,093</u>	<u>408,307</u>
LIABILITIES				
Accounts Payable	388,307	23,453,093	23,433,093	408,307
	<u>\$ 388,307</u>	<u>23,453,093</u>	<u>23,433,093</u>	<u>\$ 408,307</u>
Prothonotary				
ASSETS				
Cash and cash equivalents	\$ 107,881	736,683	736,428	\$ 108,136
	<u>107,881</u>	<u>736,683</u>	<u>736,428</u>	<u>108,136</u>
LIABILITIES				
Accounts Payable	106,456	735,353	735,003	106,806
Due to Other Funds	1,425	1,330	1,425	1,330
	<u>\$ 107,881</u>	<u>736,683</u>	<u>736,428</u>	<u>\$ 108,136</u>
Tax Claims				
ASSETS				
Cash and cash equivalents	\$ 1,998,732	12,261,752	12,452,472	\$ 1,808,012
	<u>1,998,732</u>	<u>12,261,752</u>	<u>12,452,472</u>	<u>1,808,012</u>
LIABILITIES				
Accounts Payable	1,998,732	12,261,752	12,452,472	1,808,012
	<u>\$ 1,998,732</u>	<u>12,261,752</u>	<u>12,452,472</u>	<u>\$ 1,808,012</u>
Treasurer				
ASSETS				
Cash and cash equivalents	\$ 32,555	274,291	265,522	\$ 41,324
	<u>32,555</u>	<u>274,291</u>	<u>265,522</u>	<u>41,324</u>
LIABILITIES				
Accounts Payable	32,555	274,291	265,522	41,324
	<u>\$ 32,555</u>	<u>274,291</u>	<u>265,522</u>	<u>\$ 41,324</u>
Total - Agency Funds				
ASSETS				
Cash and cash equivalents	\$ 3,319,076	62,676,038	62,735,387	\$ 3,259,727
Investments	297,849	-	-	297,849
Accounts Receivable	1,731	158	1,731	158
Accounts Receivable - State	12,862	5,557	12,862	5,557
	<u>3,631,518</u>	<u>62,681,753</u>	<u>62,749,980</u>	<u>3,563,291</u>
LIABILITIES				
Accounts Payable	3,607,200	62,649,519	62,725,662	3,531,057
Due to Other Funds	24,318	32,234	24,318	32,234
	<u>\$ 3,631,518</u>	<u>62,681,753</u>	<u>62,749,980</u>	<u>\$ 3,563,291</u>

EXHIBIT H (PAGE 2 OF 2)

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STATISTICAL SECTION

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Statistical Section

This part of the County of Beaver, Pennsylvania's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about Beaver County's overall financial health.

Contents

Page(s)

Financial Trends

S1-S7

These schedules contain trend information to help the reader understand how the County's financial position and well-being have changed over time.

Revenue Capacity

S8-S11

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity

S12-S16

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt.

Economic and Demographic Information

S17-S18

These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

S19-S23

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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County of Beaver, Pennsylvania
Net Assets by Component
Last Seven Years
(accrual basis of accounting)

	2008	2007	2006	2005	2004	2003	2002
Governmental Activities							
Invested in Capital Assets, Net of Related Debt	\$ 9,036,227	\$ 9,354,708	\$ 9,179,985	\$ (5,815,883)	\$ 3,333,611	\$ 1,137,967	\$ 3,203,947
Unrestricted	(15,219,816)	(12,062,442)	(12,886,891)	(2,991,638)	(6,127,682)	863,707	4,499,575
Total Governmental Activities Net Assets	(6,183,589)	(2,707,734)	(3,706,906)	(8,807,521)	(2,794,071)	2,001,674	7,703,522
Business-type Activities							
Invested in Capital Assets, Net of Related Debt	9,285,442	8,526,775	9,146,273	9,230,260	8,564,335	8,882,470	8,273,789
Restricted	11,534,085	11,970,526	9,732,190	7,815,415	7,146,922	7,127,610	11,901,724
Unrestricted	5,580,363	5,818,575	6,990,875	4,453,838	3,994,352	5,890,931	10,981,605
Total Business-type Activities Net Assets	26,399,890	26,315,876	25,869,338	21,499,513	19,705,609	21,901,011	31,157,118
Primary Government							
Invested in Capital Assets, Net of Related Debt	18,321,669	17,881,483	18,326,258	3,414,377	11,897,946	10,020,437	11,477,736
Restricted	11,534,085	11,970,526	9,732,190	7,815,415	7,146,922	7,127,610	11,901,724
Unrestricted	(9,639,453)	(6,243,867)	(5,896,016)	1,462,200	(2,133,330)	6,754,638	15,481,180
Total Primary Government Net Assets	\$ 20,216,301	\$ 23,608,142	\$ 22,162,432	\$ 12,691,992	\$ 16,911,538	\$ 23,902,685	\$ 38,860,640

Note: Prior to 2002, records were not compiled in accordance with GASB 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." Therefore, information prior to 2002 is not available for presentation.

County of Beaver, Pennsylvania
Changes in Net Assets
Last Seven Years
(accrual basis of accounting)

	2008	2007	2006	2005	2004	2003	2002
Program Revenues							
Governmental Activities:							
Fees and Charges:							
General Government	\$ 8,078,762	\$ 7,912,438	\$ 7,247,343	\$ 6,501,784	\$ 6,747,064	\$ 6,458,387	\$ 6,007,415
Judicial	335,118	346,304	316,087	300,717	303,751	275,774	298,890
Public Safety	-	-	-	-	-	1,790	-
Public Works and Enterprises	285,784	260,553	670,536	754,864	776,312	648,922	610,169
Culture, Recreation, and Conservation	-	-	-	-	-	-	-
Human Services	1,398,292	1,244,744	774,607	1,276,100	1,274,498	1,394,925	1,196,109
Economic Development	385,609	476,730	429,784	-	-	-	-
Miscellaneous	1,147,581	1,435,432	1,168,842	1,741,876	2,443,662	1,681,590	1,827,143
Operating Grants and Contributions	80,267,272	77,284,833	76,456,596	76,832,424	74,330,497	70,375,916	63,124,529
Capital Grants and Contributions	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	91,898,418	88,961,034	87,063,795	87,407,765	85,875,784	80,837,304	73,064,255
Business-type Activities:							
Fees and Charges:							
Friendship Ridge	52,376,087	51,730,038	49,249,600	48,574,177	45,586,326	41,044,373	39,690,062
Emergency Services	1,212,158	1,315,659	1,644,239	1,472,638	1,435,183	1,512,831	1,492,892
HealthChoices	25,846,355	24,707,769	22,040,751	19,945,731	16,769,458	10,742,058	10,583,092
Operating Grants and Contributions	1,795,207	1,622,282	1,660,497	963,108	-	-	-
Total Business-type Activities Program Revenues	81,229,807	79,375,748	74,595,087	70,955,654	63,790,967	53,299,262	51,766,046
Total Primary Government Program Revenues	173,128,225	168,336,782	161,658,882	158,363,419	149,666,751	134,136,566	124,830,301
Expenses							
Governmental Activities:							
General Government	10,885,322	10,638,416	14,438,453	16,606,678	10,896,002	9,267,579	10,109,241
Judicial	13,886,914	13,116,223	13,530,585	13,030,383	12,972,500	13,136,088	12,259,262
Public Safety	13,702,730	11,031,994	13,925,640	12,851,354	12,186,450	13,236,526	11,840,973
Public Works and Enterprises	5,278,816	4,886,450	4,992,021	14,224,464	13,401,626	14,428,990	14,271,672
Culture, Recreation, and Conservation	3,334,894	3,235,547	2,981,813	2,905,154	3,040,058	3,536,393	3,349,113
Human Services	74,933,041	71,619,963	62,830,600	65,027,441	67,919,948	61,905,388	56,843,130
Economic Development	7,912,766	9,687,518	8,073,719	-	-	-	-
Miscellaneous	-	-	-	1,259,430	301,769	795,143	592,953
Interest Expense	5,222,561	3,464,151	4,454,056	4,537,621	3,951,019	3,845,322	3,922,308
Total Governmental Activities Expenses	135,157,044	129,680,262	125,226,887	130,442,525	124,869,372	120,151,429	113,188,652
Business-type Activities:							
Friendship Ridge	53,439,581	52,609,529	48,981,202	48,687,662	47,414,926	45,550,629	41,598,201
Emergency Services	2,178,655	2,905,978	1,647,499	1,451,371	1,473,907	1,668,613	1,908,355
HealthChoices	26,628,247	23,033,731	20,652,039	18,781,499	16,835,814	15,595,080	11,432,082
Interest Expense	-	-	-	-	-	-	251,026
Total Business-type Activities Expenses	82,246,483	78,549,238	71,280,740	68,920,532	65,724,647	62,814,322	55,189,664
Total Primary Government Expenses	\$ 217,403,527	\$ 208,229,500	\$ 196,507,627	\$ 199,363,057	\$ 190,594,019	\$ 182,965,751	\$ 168,378,316

County of Beaver, Pennsylvania
Changes in Net Assets (continued)
Last Seven Years
(accrual basis of accounting)

	2008	2007	2006	2005	2004	2003	2002
Net (Expense)/Revenue							
Governmental Activities	\$ (43,258,627)	\$ (40,719,225)	\$ (38,163,092)	\$ (43,034,760)	\$ (38,993,588)	\$ (39,314,125)	\$ (40,124,397)
Business-type Activities	(1,016,676)	826,510	3,314,347	2,035,122	(1,933,680)	(9,515,060)	(3,423,618)
Total Primary Government Net Expense	\$ (44,275,303)	\$ (39,892,715)	\$ (34,848,745)	\$ (40,999,638)	\$ (40,927,268)	\$ (48,829,185)	\$ (43,548,015)
General Revenues and Other Changes in Net Assets							
Governmental Activities:							
Real Estate Taxes	\$ 45,714,111	\$ 38,995,721	\$ 34,994,052	\$ 35,870,725	\$ 32,991,875	\$ 32,828,964	\$ 31,172,720
Investment Income (Loss)	(5,315,720)	2,138,290	(7,553,763)	1,180,297	829,642	987,180	1,344,331
Gain (Loss) on Sale of Capital Assets	-	-	(135,934)	333,590	(6,667)	(95,726)	700,010
Transfers	(615,612)	584,386	(336,607)	(363,301)	382,993	(108,140)	(121,747)
Total Governmental Activities	39,782,779	41,718,397	26,967,748	37,021,311	34,197,843	33,612,278	33,095,314
Business-type Activities:							
Investment Earnings	473,498	758,318	675,349	317,265	110,890	145,763	340,188
Unrestricted Gifts	11,579	36,094	43,523	8,253	10,381	5,050	13,011
Transfers	615,612	(584,386)	336,607	363,301	(382,993)	108,140	121,747
Total Business-type Activities	1,100,689	210,026	1,055,479	688,819	(261,722)	258,953	474,946
Total Primary Government	40,883,468	41,928,423	28,023,227	37,710,130	33,936,121	33,871,231	33,570,260
Change in Net Assets							
Governmental Activities	(3,475,848)	999,172	(11,195,344)	(6,013,449)	(4,795,745)	(5,701,847)	(7,029,083)
Business-type Activities	84,013	1,036,536	4,369,827	2,723,941	(2,195,402)	(9,256,107)	(2,948,672)
Total Primary Government Change in Net Assets	\$ (3,391,835)	\$ 2,035,708	\$ (6,825,517)	\$ (3,289,508)	\$ (6,991,147)	\$ (14,957,954)	\$ (9,977,755)

Note:
Prior to 2002, records were not compiled in accordance with GASB 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." Therefore, information prior to 2002 is not available for presentation.

County of Beaver, Pennsylvania
Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2008	2007	2006	2005	2004
General Fund					
Unreserved, Designated	\$ 77,750	\$ 66,901	\$ -	\$ 41,231	\$ 17,605
Unreserved, Undesignated	1,233,082	1,311,137	(142,447)	622,378	746,179
Total General Fund	1,310,832	1,378,038	(142,447)	663,609	763,784
All Other Governmental Funds					
Unreserved, Designated	1,054,288	1,332,155	1,301,740	1,290,257	327,272
Unreserved, Reported in:					
Special Revenue funds	3,457,454	4,597,378	4,835,823	3,971,923	4,994,567
Capital Projects funds	911,524	2,866,916	372,830	1,236,854	1,560,857
Total All Other Governmental Funds	5,423,266	8,796,449	6,510,393	6,499,034	6,882,696
Total Governmental Funds	\$ 6,734,098	\$ 10,174,488	\$ 6,367,946	\$ 7,162,643	\$ 7,646,480

Unreserved/Undesignated General Fund Balance: Last Ten Years



As of December 31

2003	2002	2001	2000	1999
\$ 191,216	\$ 112,070	\$ 225,831	\$ 205,455	\$ 458,788
1,830,759	2,899,572	3,126,153	7,363,383	8,772,703
2,021,975	3,011,642	3,351,984	7,568,838	9,231,491
510,988	2,044,801	5,512,979	14,831,737	32,544,677
5,170,375	4,413,357	7,605,297	8,728,193	8,603,217
4,108,710	8,408,756	8,488,543	10,076,444	10,124,753
9,790,073	14,866,914	21,606,819	33,636,374	51,272,647
\$ 11,812,048	\$ 17,878,556	\$ 24,958,803	\$ 41,205,212	\$ 60,504,138

County of Beaver, Pennsylvania
Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2008	2007	2006	2005	2004	2003
Revenues						
Real Estate Taxes	\$ 45,361,286	\$ 38,494,473	\$ 35,732,456	\$ 35,317,373	\$ 32,890,800	\$ 32,798,112
Licenses and Permits	94,777	97,652	71,623	72,633	77,137	120,258
Interest and Rents	968,971	1,707,464	1,224,703	1,174,688	828,021	984,415
Intergovernmental	76,585,454	79,040,944	75,512,509	78,860,749	71,617,067	70,025,840
Charges for Services and Facilities	10,144,856	9,914,263	9,157,130	5,840,710	6,014,249	6,190,617
Local Hotel Room Tax	243,930	228,852	209,604	-	-	-
Project Income	-	-	-	2,920,122	3,010,237	2,538,023
Miscellaneous	1,147,581	1,435,432	1,168,842	1,875,861	2,443,662	1,681,517
Total Revenues	134,546,855	130,919,084	123,096,867	126,062,336	116,881,173	114,358,782
Expenditures						
Current:						
General Government	9,797,512	9,512,670	13,374,579	18,249,926	9,420,239	9,026,172
Judicial	13,778,503	12,775,641	13,039,493	15,965,270	12,689,128	12,557,536
Public Safety	13,258,113	10,337,338	12,602,316	16,764,923	11,347,406	12,176,861
Public Works and Enterprises	3,904,651	3,495,004	3,500,517	14,218,880	12,675,793	13,666,279
Culture, Recreation and Conservation	3,144,734	2,977,581	2,686,344	3,230,307	2,803,330	3,250,341
Economic Development	7,876,607	9,624,288	8,000,366	-	-	-
Human Services	74,616,096	70,916,823	62,381,096	65,006,281	66,354,133	61,068,794
Miscellaneous (a)	-	-	-	1,259,430	501,769	795,143
Capital Outlay-Infrastructure	1,082,722	2,713,748	2,150,860	3,207,525	167,902	245,318
Capital Outlay-Asset Acquisition and Improvements	3,572,364	1,398,789	2,573,437	2,821,743	1,156,853	2,990,460
Refunding Bond Issuance Costs	-	933,619	309,351	-	-	-
Debt service:						
Principal	2,718,684	2,659,767	1,132,235	2,000,909	1,900,436	801,544
Interest	4,997,227	5,237,624	2,324,349	3,938,028	3,791,049	3,878,269
Bond Issuance Costs	-	54,853	-	-	-	92,282
Total Expenditures	138,747,213	132,637,945	124,074,943	146,663,222	122,808,038	120,548,999
Excess of Revenues Over (Under) Expenditures	(4,200,358)	(1,718,861)	(978,076)	(20,600,886)	(5,926,865)	(6,190,217)
Other Financing Sources (Uses)						
Sale of Capital Assets	-	-	-	700,000	-	-
Capital Leases	1,375,582	329,409	-	-	-	-
Payment to Refunded Bonds Escrow Agent	-	(58,125,000)	(8,678,280)	-	-	(5,132,414)
Proceeds from Basis Cap	-	-	-	-	1,378,305	-
Proceeds of Bonds	-	3,289,430	-	19,780,350	-	-
Issuance of Refunding Debt	-	59,655,000	9,050,000	-	-	5,375,000
Swaption Payment	-	-	-	-	-	-
Original Issue Discount	-	(207,822)	(62,369)	-	-	(10,737)
Transfers In	250,899	1,200,000	36,568	-	1,031,129	131,391
Transfers Out	(866,511)	(615,614)	(373,175)	(363,301)	(648,136)	(239,531)
Total Other Financing Sources (Uses)	759,970	5,525,403	(27,256)	20,117,049	1,761,298	123,709
Net Change in Fund Balances	\$ (3,440,388)	\$ 3,806,542	\$ (1,005,332)	\$ (483,837)	\$ (4,165,567)	\$ (6,066,508)
Debt Service as a Percentage of Noncapital Expenditures	5.8%	6.2%	2.9%	4.2%	4.7%	4.1%

Net Change in Fund Balance, Governmental Funds: Last Ten Years



2002	2001	2000	1999
\$ 31,715,029	\$ 28,163,762	\$ 28,843,943	\$ 28,632,793
112,552	80,080	74,734	89,527
1,337,353	2,886,844	4,855,017	5,305,292
63,124,529	58,203,733	58,044,698	49,758,901
5,754,603	4,933,711	4,825,494	4,746,117
2,245,428	1,873,172	2,058,171	1,302,569
1,827,143	1,319,288	1,117,811	1,033,070
106,116,637	97,460,590	99,819,868	90,868,269
8,765,584	8,085,258	7,799,771	7,683,790
11,983,149	10,995,762	10,450,728	9,589,475
11,040,261	10,337,838	9,582,188	7,721,979
13,566,984	12,297,826	13,805,776	10,542,735
3,098,146	2,839,711	2,470,877	2,380,613
56,536,369	49,185,726	44,453,791	39,315,567
592,953	456,648	603,553	781,221
1,281,767	784,048	4,626,633	1,711,933
17,754,912	12,433,834	20,052,497	16,486,471
1,905,000	1,735,000	1,625,000	1,565,000
3,447,171	3,487,240	3,551,110	3,618,895
129,972,296	112,638,891	119,021,924	101,397,679
(23,855,659)	(15,178,301)	(19,202,056)	(10,529,410)
710,005	-	-	-
8,699,804	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,511,500	-	-	-
1,090,604	3,800	-	5,487
(1,212,351)	(104,285)	(96,870)	(99,497)
10,799,562	(100,485)	(96,870)	(94,010)
\$ (13,056,097)	\$ (15,278,786)	\$ (19,298,926)	\$ (10,623,420)
4.8%	5.3%	5.5%	6.2%

(a) - For all years prior to 2006, the County recorded Miscellaneous expense separately in its basic financial statements. For all years after 2006 these amounts were allocated to the appropriate function. Additionally, in prior years the Economic Development Function was included as part of the Public Works function.

County of Beaver, Pennsylvania
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years

Fiscal Year	Residential / Agricultural	Commercial / Industrial	Less Non Taxable	Total Taxable End of Year Actual Assessed Value	Total Taxable Actual Market Value	Common Level Ratio % (CLR)	Direct Tax Rate
2008	\$ 1,918,509,761	\$ 628,834,644	\$ 469,572,834	\$ 2,077,771,571	\$ 7,091,370,549	29.30 %	22.20
2007	1,910,141,821	606,747,900	451,800,957	2,065,088,764	6,838,042,265	30.20	18.70
2006	1,839,888,236	629,254,621	429,005,650	2,040,137,207	6,581,087,765	31.00	17.70
2005	1,814,757,767	621,869,891	429,291,421	2,007,336,237	6,233,963,469	32.20	17.70
2004	1,798,217,184	616,201,867	425,378,651	1,989,040,400	5,715,633,333	34.80	15.70
2003	N/A	N/A	N/A	2,070,855,533	5,985,131,598	34.60	15.70
2002	1,761,024,351	714,646,323	429,276,531	2,046,394,143	5,830,182,744	35.10	15.70
2001	N/A	N/A	N/A	2,028,251,318	5,541,670,268	36.60	13.70
2000	1,711,335,856	745,280,623	427,507,004	2,029,109,475	5,216,219,730	38.90	13.70
1999	1,702,278,173	737,656,388	555,313,189	1,884,621,372	4,869,822,667	38.70	15.00

Sources: Beaver County Assessment Office

Note: Beaver County has established an assessment ratio of 50% at the last general reassessment conducted for the 1982 tax year. The Common Level Ratio (CLR) is the statistically calculated relationship between assessments and current market value, as certified by the State Tax Equalization Board pursuant to Act 267-1982.

N/A = Not Available

County of Beaver, Pennsylvania
Property Tax Rates (in mills) - Direct and Overlapping Governments
 (Per \$1,000 of Assessed Valuation)
 Last Ten Collection Years

County Direct Rate Property Tax	Year Taxes are Payable									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Municipal Rates										
City of Aliquippa (1)	L 81.00 B 11.40	L 80.60 B 11.40	L 78.80 B 11.50	L 78.80 B 11.50	L 77.50 B 11.50	L 77.50 B 11.50	L 77.00 B 9.00	L 77.00 B 9.00	L 79.00 B 7.00	L 79.00 B 7.00
City of Beaver Falls (1)	32.00	32.00	32.00	30.00	30.00	28.00	28.00	24.00	24.00	24.00
Townships	5.00-23.38	5.00-23.38	5.00-22.38	5.00-22.38	3.00-22.38	3.00-20.38	3.00-20.38	3.00-18.28	2.50-18.28	2.50-18.28
Boroughs (2)	1.00-34.50	1.00-34.50	1.00-34.50	1.00-32.50	1.00-30.50	1.00-28.50	1.00-28.50	1.00-28.50	1.00-28.50	3931-29.00
School District Rates										
City of Aliquippa (1)	L 188.00 B 29.50	L 177.00 B 28.00	L 173.00 B 28.00	L 173.00 B 28.00	L 169.00 B 24.00	L 165.00 B 20.00	L 165.00 B 20.00	L 165.00 B 20.00	L 165.00 B 20.00	L 165.00 B 20.00
City of Beaver Falls (1)	61.00	59.00	59.00	59.00	56.00	56.00	54.00	52.00	49.00	48.00
Townships	39.00-66.00	39.00-66.00	39.00-66.00	37.00-66.00	37.00-62.50	34.00-61.00	36.00-57.00	36.00-56.00	36.00-53.00	36.00-50.00
Boroughs (2)	28.00-61.02	28.00-59.00	28.00-59.00	28.00-59.00	28.00-56.00	28.00-56.00	34.00-54.00	33.00-52.00	35.00-49.50	35.00-48.00

Source: Beaver County Assessment Office

Notes:

- (1) Cities are individually listed because the City of Aliquippa is the only municipality within the School District and both the City and School District apply a separate tax rate to land value as opposed to building value.
- (2) A portion of Ellwood City Borough is annexed to Beaver County from Lawrence County for County Tax Rate purposes only.

L: Land
 B: Building

County of Beaver, Pennsylvania
Principal Property Tax Payers
Current Year and Ten Years Ago

Taxpayer	January 1, 2008	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
First Energy (Bruce Mansfield, BV2, Various)	\$133,521,905	6.43%
PR Beaver Valley LP - Beaver Valley Mall	27,864,100	1.34
Koppel Steel (Ambridge & Koppel)	14,801,400	0.71
Horsehead Industries	12,943,800	0.62
DDR MDT - Lowes, EafN Park, Texas Roadhouse	12,266,400	0.59
United States Gypsum - Aliquippa	12,128,600	0.58
THF Monaca, LP - Walmart	9,976,600	0.48
Nova Chemicals Inc.	9,600,000	0.46
NGC Gypsum Plant - Shippingport	8,594,300	0.41
Kimsquare Chippewa 460 Inc. (Home Depot & Kmart)	8,387,300	0.40
	<u>\$250,084,405</u>	<u>12.02%</u>
Total Assessed Valuation	<u>\$2,077,771,571</u>	

Taxpayer	January 1, 1999	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Bruce Mansfield Plant	\$164,336,300	8.91%
Beaver Valley # 2	121,108,900	6.57
Beaver Valley Mall	27,882,500	1.51
Nova	13,297,200	0.72
Horsehead Industries	12,662,400	0.69
J & L Specialty Steel	10,542,350	0.57
PA Northern Lights Shoppers City	10,378,700	0.56
Koppel Steel (Ambridge & Koppel)	9,496,500	0.51
New Sewickley Partners (Lerta) c/o Kraft General Foods	8,557,600	0.46
RAK Enterprises (Chippewa K-Mart, Builders Square & Taco Bell)	8,352,200	0.45
	<u>\$386,614,650</u>	<u>20.95%</u>
Total Assessed Valuation	<u>\$1,844,621,372</u>	

Source: Beaver County Board of Property Assessment

Note: Beaver County has established an assessment ratio of 50% at the last general reassessment conducted for the 1982 tax year. The Common Level Ratio (CLR) is the statistically calculated relationship between assessments and current market value, as certified by the State Tax Equalization Board pursuant to Act 267-1982.

County of Beaver, Pennsylvania
Property Tax Levies and Collections
Last Ten Years

Fiscal Year Ended December 31,	Total Property Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent & Lien Tax Collections	Total Collection to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 46,126,529	\$ 43,731,779	94.81 %	\$ 3,649,839	\$ 47,381,618	102.72 %
2007	38,617,160	33,565,533	86.92	3,469,691	37,035,224	95.90
2006	36,110,429	32,601,955	90.28	3,632,672	36,234,627	100.34
2005	35,529,851	32,183,528	90.58	3,134,045	35,317,573	99.40
2004	32,699,401	29,615,181	90.57	3,275,619	32,890,800	100.59
2003	32,699,401	29,549,369	90.37	3,248,743	32,798,112	100.30
2002	32,122,516	28,870,520	89.88	2,844,509	31,715,029	98.73
2001	27,787,043	25,077,723	90.25	3,086,040	28,163,763	101.36
2000	27,798,799	25,477,666	91.65	3,366,277	28,843,943	103.76
1999	28,248,871	25,365,530	89.79	3,267,263	28,632,793	101.36

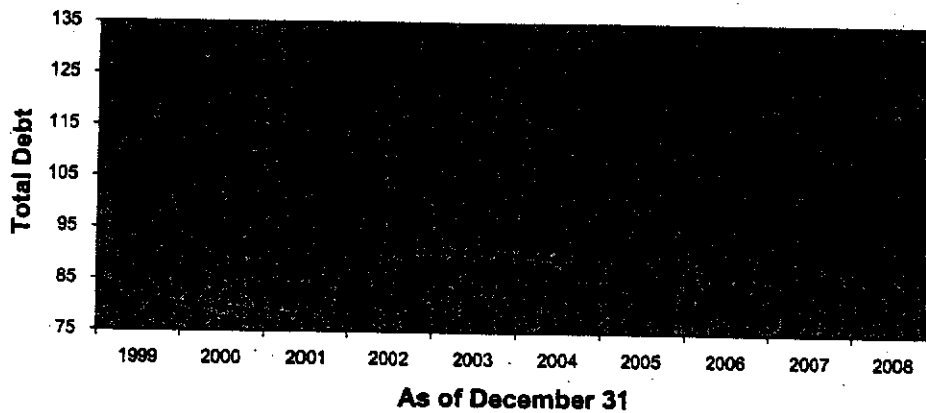
Source: Beaver County Board of Property Assessment

Note: Total tax levy is based on assessment roll certification and all revisions through December 31. Current tax collections are those taxes (discount, face and penalty) collected from January 1 thru December 31. Delinquent and lien taxes are the summation of current taxes collected from January 1 thru February 15 of the subsequent year plus those collections made by the Tax Claim Bureau through December 31 of the current year. Collections made by the Tax Claim Bureau include principal, penalty, interest, commissions, costs, interest on savings and rollback interest. The Tax Claim Bureau does not identify lien tax collections by the year for which the tax was levied.

County of Beaver, Pennsylvania
Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years

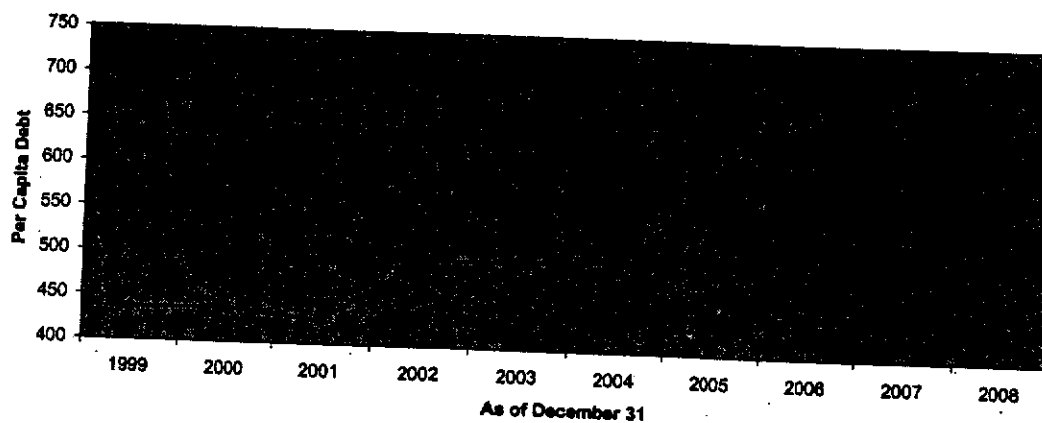
Year	Governmental Activities			
	General Obligation Bonds	Other General Long-term Liabilities	Capital Lease Obligations	Obligations under Derivatives
2008	\$ 65,776,253	\$ 25,263,678	\$ 9,240,803	\$ 17,531,368
2007	68,007,510	25,623,205	8,122,387	11,229,326
2006	65,906,708	25,703,830	8,004,767	11,654,416
2005	70,022,446	20,790,000	8,246,796	2,871,500
2004	68,713,457	4,030,000	8,402,497	2,871,500
2003	70,463,893	4,180,000	8,539,190	1,511,500
2002	70,876,859	4,325,000	8,699,804	1,511,500
2001	72,359,699	-	-	-
2000	73,641,522	-	-	-
1999	74,831,664	-	-	-

Total Debt: Last Ten Years (millions)



Business-type Activities					
General Obligation Bonds	Other General Long-term Liabilities	Capital Lease Obligations	Total Debt	Percentage of Personal Income	Per Capita
\$ 8,894,004	\$ 290,000	\$ 78,897	\$ 127,075,003	3.11%	\$ 734
9,477,588	290,000	114,224	122,864,240	3.16	699
4,303,664	290,000	149,500	116,012,885	3.64	671
4,982,040	-	147,213	107,059,995	3.36	619
5,505,416	-	-	89,522,870	2.72	501
6,018,792	-	-	90,713,375	2.70	497
4,988,540	-	173,755	90,575,458	2.69	496
5,540,000	-	-	77,899,699	2.32	426
5,905,000	-	-	79,546,522	2.38	438
6,250,000	-	-	81,081,664	1.85	436

Per Capita Debt: Last Ten Years



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County of Beaver, Pennsylvania
Ratio of Net Obligation Bonded Debt to Assessed
Value and Net Bonded Debt Per Capita
Last Ten Years

<u>Year</u>	<u>Population</u>	<u>Estimated Actual Value of Taxable Property</u>	<u>Gross Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Net Bonded Debt Per Capita</u>
2008	173,074	\$ 7,091,370,549	\$ 74,670,257	1.05 %	\$ 431
2007	175,736	6,838,042,265	77,485,098	1.13	441
2006	173,005	6,581,087,765	70,210,372	1.07	406
2005	173,005	6,233,963,469	75,004,486	1.20	434
2004	178,601	5,715,633,333	74,218,873	1.30	416
2003	182,687	5,985,131,598	76,482,685	1.28	419
2002	182,687	5,830,182,744	75,865,399	1.30	415
2001	182,687	5,541,670,268	77,899,699	1.41	426
2000	181,412	5,216,219,730	79,546,522	1.52	438
1999	186,093	4,869,822,667	81,081,664	1.66	436

County of Beaver, Pennsylvania
Legal Debt Margin
Last Ten Years

	2008	2007	2006	2005	2004
Legal Debt Margin					
Non-electoral Debt	\$172,234,938	\$146,664,086	\$140,050,051	\$66,250,622	\$66,396,078
Non-electoral Debt plus Lease Rental Debt	229,646,584	195,552,115	186,733,401	99,567,069	91,842,060

Limitations on incurring other debt:

A county shall not incur any new non-electoral debt if the aggregate net principal amount of the new non-electoral debt, together with all other net non-electoral debt outstanding, would cause the total non-electoral debt of the county to exceed 300% of its borrowing base. Also, the total non-electoral debt plus lease rental debt shall not exceed 400% of a county's borrowing base.

Borrowing base:

The annual arithmetic average of the total revenues for the last full three fiscal years ended, as executed by the authorized officials of the county or by an independent accountant. Certain revenues, such as reimbursements from the Commonwealth or the federal government for repayments of non-electoral debt and investment income in bond sinking funds set aside for the payment of debt, shall be excluded from the determination of the borrowing base.

Debt:

Debt is the amount of all obligations for the payment of money incurred by a county except for: current obligations for the full payment of which current revenues have been appropriated, obligations under contracts allocable to current operating expenses of future years, rentals or payments payable in future years under leases or other forms of agreements (except for capital leases), interest or taxes on bonds or notes which are not overdue, and obligations incurred under a qualified interest rate management agreement.

Figures used in the current year calculation for legal debt margin:

Non-electoral debt:	\$ 74,088,924
Lease rental debt:	\$ 32,375,000
Borrowing base:	\$ 57,411,646

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

2003	2002	2001	2000	1999
\$55,777,710	\$49,572,460	\$44,639,738	\$58,825,932	\$52,121,678
80,786,207	83,953,187	85,486,217	103,465,083	95,037,792

Non-electoral debt:

Non-electoral debt is all debt of a county, except for that specifically incurred with the assent of the electors and the guarantee of the debt of other entities (see "lease rental debt").

Lease rental debt:

The principal amount of authority bonds/notes or bonds/notes of another local government unit to be repaid from payments of the local government unit made pursuant to leases, guarantees, subsidy contracts or other forms of agreement which evidence the acquisition of capital assets (not including any debt which has been approved by the electors).

Legal debt margin:

The amount available for a local government to incur new non-electoral debt or new lease rental debt

County of Beaver, Pennsylvania
Principal Employers
Current Year and Ten Years Ago

2008			
Employer	Employees	Percentage of Total County Employment	
Valley Medical Facilities Inc.	n/a	n/a	%
Beaver County Government	n/a	n/a	
FirstEnergy Nuclear Operating	n/a	n/a	
Wal-Mart Associates Inc.	n/a	n/a	
McCarl's Inc.	n/a	n/a	
Chicago Title Insurance Co.	n/a	n/a	
Passavant Memorial Homes	n/a	n/a	
Koppel Steel Corp.	n/a	n/a	
Horsehead Corp.	n/a	n/a	
McGuire Memorial	n/a	n/a	
Total	n/a	n/a	%
Total County Employees	n/a		

1999			
Employer	Employees	Percentage of Total County Employment	
Reid-Tech Automotive Services	n/a	n/a	%
The Medical Center	n/a	n/a	
Beaver County Government	n/a	n/a	
FirstEnergy Nuclear Operating	n/a	n/a	
Horsehead Corp.	n/a	n/a	
Anchor Hocking Corp.	n/a	n/a	
Koppel Steel Corp.	n/a	n/a	
Cutler-Hammer Inc.	n/a	n/a	
Nova Chemicals Inc.	n/a	n/a	
J & L Specialty Steel Inc.	n/a	n/a	
Total	n/a	n/a	%
Total County Employees	n/a		

(1) Source: Center for Workforce Information and Analysis-Home of PA Work Stats
 Number of Employees not available from source due to confidentiality.

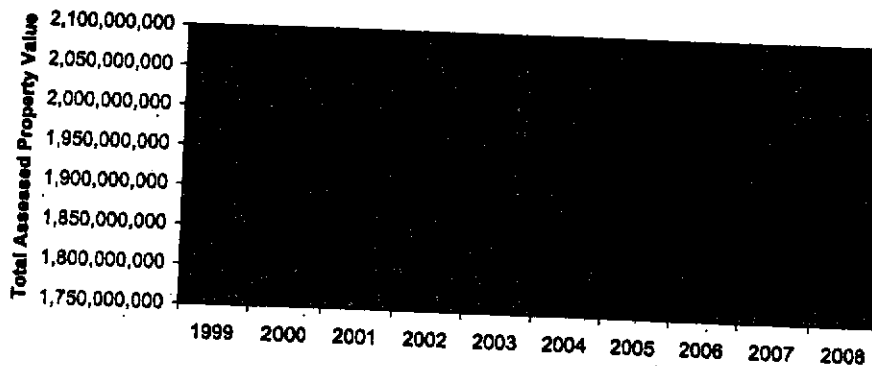
County of Beaver, Pennsylvania
Demographic and Economic Statistics
Last Ten Years

Year	Population	Total Personal Income (thousands of dollars)	Per Capita Personal Income	Median Household Income	Median Age	Percent with Educational Attainment: Bachelor's Degree or Higher	School Enrollment	Unemployment Rate (5)	Total Assessed Property Value
2008	173,074 (9)	\$4,083,681,030	\$ 23,595 (10)	\$45,017 (10)	43.8 (10)	19.5 % (10)	36,970 (10)	5.6 %	\$ 2,077,771,571
2007	175,736 (8)	3,893,255,344	22,154 (8)	42,023 (8)	43.0 (8)	18.4 (8)	39,016 (8)	4.5	2,065,088,764
2006	173,005 (1)	3,183,638,010	18,402 (3)	36,995 (6)	40.7 (3)	15.8 (3)	41,572 (3)	4.1	2,040,137,207
2005	173,005 (1)	3,183,638,010	18,402 (3)	36,995 (6)	40.7 (3)	15.8 (3)	41,572 (3)	4.7	2,007,336,237
2004	178,601 (2)	3,286,615,602	18,402 (3)	36,995 (6)	40.7 (3)	15.8 (3)	41,572 (3)	5.3	1,989,040,400
2003	182,687 (2)	3,361,806,174	18,402 (3)	36,995 (6)	40.7 (3)	15.8 (3)	41,572 (3)	5.8	2,070,855,533
2002	182,687 (2)	3,361,806,174	18,402 (3)	36,995 (6)	40.7 (3)	15.8 (3)	41,572 (3)	6.4	2,046,394,143
2001	182,687 (2)	3,361,806,174	18,402 (3)	36,995 (6)	40.7 (3)	15.8 (3)	41,572 (3)	5.1	2,028,251,318
2000	181,412 (3)	3,338,343,624	18,402 (3)	36,995 (6)	40.7 (3)	15.8 (3)	41,572 (3)	4.3	2,029,109,475
1999	186,093 (4)	4,383,606,708	23,556 (7)	24,276 (4)	N/A	17.9 (4)	42,110 (4)	4.8	1,884,621,372

Sources:

- (1) PA State Data Center "Population Projections, PA Counties"
- (2) PA State Data Center
- (3) U.S. Census Bureau, Census 2000
- (4) U.S. Census Bureau, Census 1990
- (5) Pennsylvania Department of Labor and Industry
- (6) U.S. Bureau of the Census, Census 2000 "Profile of Selected Economic Characteristics: 2000"
- (7) U.S. Department of Commerce, Bureau of Economic Analysis
- (8) U.S. Census Bureau, 2006 American Community Survey
- (9) U.S. Census Bureau, Population Estimates Program
- (10) U.S. Census Bureau, 2007 American Community Survey
- N/A - Information not available

Total Assessed Property Value: Last Ten Years



County of Beaver, Pennsylvania
Full-Time Equivalent County Government Employees by Function/Program
Last Ten Years

Function/Program	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Government:										
Commissioners	5.0	8.0	8.0	8.0	8.0	8.0	8.0	8.5	7.5	7.0
Controller	10.0	9.5	14.5	14.5	12.5	14.5	14.5	14.5	13.5	14.5
Treasurer	12.0	13.0	11.5	11.5	13.0	16.5	15.0	14.5	14.5	16.0
Recorder of Deeds	8.5	11.5	11.5	11.5	13.5	13.5	14.0	14.0	13.5	12.5
Solicitor	3.0	3.0	3.0	3.5	3.0	3.0	3.5	3.0	3.5	3.0
Information Technology	9.0	9.0	10.0	11.0	12.0	14.5	14.5	14.5	13.0	13.0
Planning Commission	6.0	6.0	6.0	6.0	7.0	9.0	6.5	8.0	7.0	8.0
Weights and Measures	1.0	1.0	1.0	1.0	1.0	1.5	1.5	1.5	1.0	1.5
Veterans Affairs	3.0	4.0	4.0	4.0	4.0	4.0	4.5	3.0	4.0	4.0
Election Bureau	6.0	6.5	6.5	7.5	9.5	9.5	8.5	9.5	9.5	10.0
Assessment/Tax Claim	24.0	24.5	24.0	25.0	24.0	28.5	27.5	27.5	27.5	27.5
Public Defender	16.0	16.0	16.5	16.0	16.0	16.5	16.0	16.0	15.5	15.0
Employee Relations	7.0	7.5	3.5	3.5	4.0	3.0	4.0	4.0	3.5	4.0
Mailroom	2.0	1.0	1.0	1.0	1.0	1.0	1.5	1.5	1.0	1.0
Microfilm	5.0	5.0	5.0	5.0	5.5	5.0	5.0	5.0	5.0	5.0
Central Telephone	1.5	1.5	2.0	2.0	1.5	1.5	2.5	1.5	1.5	2.0
Purchasing	2.0	3.0	2.5	3.0	3.0	4.0	3.5	3.5	3.0	3.0
Engineering	0.0	0.0	0.0	0.0	0.0	0.0	2.0	3.5	3.5	4.5
Parking Garage/Bus Drivers	0.0	0.0	0.0	0.0	0.0	0.0	1.5	1.5	1.5	0.0
Judicial:										
Clerk of Courts	12.5	13.5	13.5	12.5	14.0	14.5	14.0	14.0	14.0	14.0
Coroner	3.0	4.0	4.0	4.0	4.0	4.5	4.5	4.0	4.0	4.5
Jury Commission	2.0	2.0	2.0	2.0	2.0	2.5	2.5	2.5	2.5	2.0
District Attorney	24.5	24.5	24.0	24.0	24.5	24.0	25.5	25.0	24.5	22.5
Prothonotary	13.0	13.5	13.0	14.0	15.5	17.0	17.5	16.5	17.0	14.5
Register of Wills	5.5	6.5	6.5	6.5	6.5	7.5	8.0	8.0	8.5	8.0
Sheriff	45.5	34.5	39.0	38.5	38.0	43.5	43.5	42.0	37.0	37.0
Court Administration	45.5	42.5	43.5	39.5	41.5	42.5	39.5	43.0	42.5	45.5
Law Library	1.5	1.5	1.5	1.5	1.0	1.5	1.5	1.5	1.5	1.5
Stop Grant	0.0	0.0	0.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Domestic Relations	35.0	35.0	35.0	36.0	35.5	37.5	36.5	32.5	33.5	33.5
District Courts (Nine)	31.0	30.0	31.0	31.0	30.0	32.0	31.0	31.0	31.0	31.0
Rights & Services/Victims of Crime	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.5	3.5
Drug Investigation	8.0	5.0	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Public Safety:										
Emergency Services	42.5	42.0	41.0	41.0	39.0	41.0	41.5	36.5	36.0	37.0
Jail	89.5	81.0	88.0	92.5	101.0	100.0	97.0	89.5	90.5	65.0
Allencrest Detention Center	29.5	28.0	32.5	32.5	31.5	39.0	37.5	40.5	36.5	36.5
Adult Probation/Intermediate Punishment	33.0	31.0	31.5	31.0	30.0	34.0	34.0	34.0	34.0	34.0
Juvenile Services	25.0	25.0	26.0	26.5	26.5	26.0	26.5	26.0	24.0	24.0
DUI Program	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public Works & Enterprise:										
Liquid Fuels	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0
Department of Public Works	31.0	30.0	32.0	32.0	33.0	45.0	46.0	44.5	43.5	44.5
Airport	5.5	3.0	3.0	3.0	4.0	7.5	6.0	6.0	5.5	6.0
Culture, Recreation and Conservation:										
Parks/Recreation/Tourist	13.5	13.5	11.5	12.5	15.0	16.5	16.5	16.5	15.0	12.5
Library Commission	11.5	12.5	12.5	12.0	12.5	15.0	15.0	14.0	13.5	10.5
Waste Management	4.0	4.0	4.0	4.5	5.0	5.5	5.5	5.5	5.0	5.5
Conservation	0.0	0.0	0.0	0.0	0.0	7.0	6.0	6.0	5.0	5.0
Human Services:										
Office on Aging	39.5	39.5	40.0	39.0	39.5	39.5	38.5	35.5	31.5	28.5
Children & Youth	70.5	71.5	69.5	71.5	71.5	70.5	70.5	66.5	62.5	58.0
MH/MR - Drug & Alcohol - HealthChoices	88.0	81.0	80.0	81.0	78.0	81.0	81.0	78.0	73.0	70.0
Childcare Choices	11.0	11.0	12.0	12.0	14.0	14.0	14.5	13.0	12.0	8.0
Economic Development:										
Community Development	8.0	8.0	8.0	8.0	8.0	9.0	8.0	8.0	7.5	7.5
Environmental Protection	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.5	0.0
Totals:	857.0	830.5	843.5	855.0	874.0	943.5	935.0	907.0	872.5	829.0

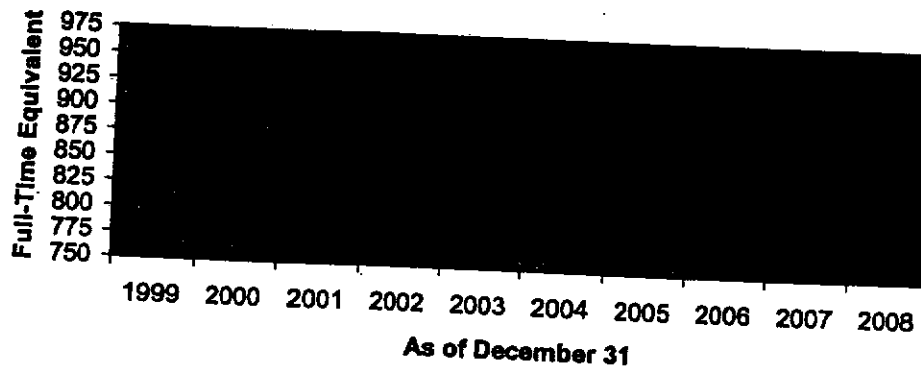
Sources: Beaver County Payroll Department

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee.

Count taken at December 31.

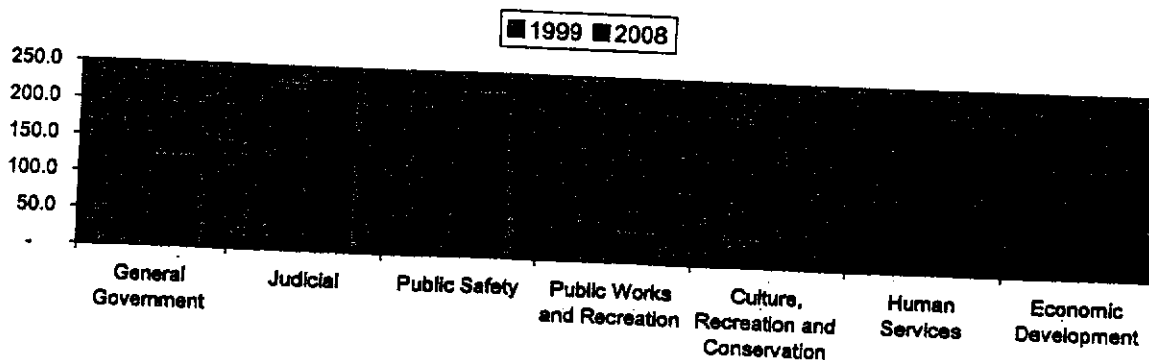
County of Beaver, Pennsylvania
Full-Time Equivalent County Government Employees Graphs / Charts
Last Ten Years

**Full-Time Equivalent County Government
 Employees: Last Ten Years**



The FTE reductions in 2004 and 2005 were results of extensive early retirement packages offered as well as some County layoffs.

FTE's By Function



The following represents the % increase or decrease in FTE between 1999 and 2008:

- General Government decreased 4%.
- Judicial increased 1%.
- Public Safety increased 3%.
- Public Works and Recreation decreased 2%.
- Culture, Recreation and Conservation decreased 1%.
- Human Services increased 5%.
- Economic Development stayed the same.

County of Beaver, Pennsylvania
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2008	2007	2006	2005	2004
General Government (1)					
Number of Registered Voters	118,311	112,248	113,612	112,001	122,351
Number of Votes Cast in Last General Election	86,022	40,118	65,606	37,998	86,609
Percentage of Registered Voters Voting in Last General Election	72.71	35.39	57.74	33.93	70.79
Judicial (2)					
Year-to-date Filings	46,338	36,690	34,337	34,407	35,003
Traffic Citations	29,000	22,893	20,465	20,417	20,615
Summary/Non Traffic	7,229	6,623	6,529	6,684	7,273
Civil Complaints	3,314	3,108	3,369	3,150	2,962
Misdemeanor/Felony Citations	4,019	4,066	3,974	4,156	4,153
Criminal Filings	2,776	2,576	3,667	3,574	3,099
Civil Filings	1,219	1,100	943	740	739
Orphans Court Filings	336	296	306	299	397
Custody Filings	601	582	562	558	574
Protection from Abuse Filings	488	469	500	468	463
Divorces	471	484	517	538	553
Public Service (3)					
Recycling - Stainless Steel (Tons)	143,821	170,566	199,187	198,756	99
Recycling - Ferrous (Tons)	61,717	210,873	34,916	15,393	27,016
Recycling - White Goods (Tons)	4,108	13,284	26,893	8,450	12,684
Recycling - Other Materials (Tons)	80,136	18,885	11,313	17,807	52,296
Wood Waste Removed (Tons)	3,710	2,372	1,876	541	242
Yard Waste Removed (Tons)	1,998	2,140	4,477	4,018	2,701

Sources: (1) Beaver County Elections Bureau
(2) Beaver County Court Administration
(3) Beaver County Department of Waste Management

n/a: Information not available

2003	2002	2001	2000	1999
115,788	105,451	115,323	116,515	112,619
32,394	55,434	40,170	78,906	42,409
27.98	52.57	34.83	67.70	37.66
36,099	38,905	39,187	38,756	n/a
21,506	24,269	23,273	24,095	n/a
7,689	7,676	9,074	8,172	n/a
2,788	2,678	3,008	2,763	n/a
4,116	4,282	3,832	3,726	n/a
2,905	2,888	2,606	2,408	2,559
687	706	652	746	673
343	399	376	314	261
536	442	406	408	408
485	501	582	674	631
580	573	616	650	591
72	173	249	16	13
21,669	20,744	23,100	164	1,441
10,450	9,410	8,673	9,595	10,500
7,068	13,334	21,121	5,084	3,119
457	303	68	303	10
2,894	3,203	4,287	3,203	2,213

County of Beaver, Pennsylvania
Capital Asset Statistics by Function/Program
Last Ten Years

Function / Program	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Human Services										
Computer Terminals:										
Childcare Information Services	8	8	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Children & Youth	104	80	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mental Health / Mental Retardation	132	86	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Office on Aging	84	40	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Judicial										
Sheriff:										
Vehicles	29	29	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Weapons (Firearms)	74	80	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Courtrooms	8	8	8	8	8	7	7	7	7	7
Proprietary										
Long-Term Care Facilities:										
Bed Capacity	589	589	589	589	589	589	n/a	n/a	n/a	n/a
Public Safety										
Jail:										
Cell Capacity	402	403	403	403	403	403	403	403	403	0
Allencrest:										
Secure Bed Capacity	18	25	25	25	25	25	25	25	25	25
Shelter Bed Capacity	6	6	6	6	6	6	8	8	8	8
Public Works										
Airport:										
Private Hangars	13	13	13	13	13	13	13	11	11	11
Commercial Hangars	8	9	9	9	9	9	9	8	8	8
Runways	1	1	1	1	1	1	1	1	1	1
Length of Runways (feet)	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Department of Public Works:										
Vehicles	32	31	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Parking Garages	1	1	1	1	1	1	0	0	0	0
Parking Lots	15	15	15	15	15	15	15	15	15	15
Liquid Fuels:										
Bridges	55	55	55	57	57	57	57	57	60	60
County Owned & Maintained Streets (miles)	25	24	24	24	24	24	24	24	24	24
Recreation (County owned and/or maintained)										
Parks	3	3	3	3	3	3	3	3	3	3
Park Acres	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517
Pavilions	25	25	25	25	25	25	25	25	25	25
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	12	12	12	12	12	12	12	12	12	12
Basketball Courts	2	2	2	2	2	2	2	2	0	0
Baseball / Softball Fields	9	9	9	9	9	9	9	9	9	9
Soccer / Football Fields	3	3	3	3	3	3	3	3	3	3
Walking / Jogging Trails	2	2	2	2	2	2	2	2	2	2
Bike Trails	2	2	2	2	2	2	2	2	2	2
Horseriding Trails	2	2	2	2	2	2	2	2	2	2
Lakes/Ponds for Fishing	2	2	2	2	2	2	2	2	2	2
Playgrounds	1	1	1	1	1	0	0	0	0	0
Ice Skating Rinks	1	1	1	1	1	1	1	1	1	1
Shooting Ranges	0	0	4	4	4	4	4	4	4	4
Deck Hockey Rinks	1	1	1	1	1	1	1	1	0	0
Outdoor Skate Parks	0	1	0	0	0	0	0	0	0	0

Sources:

Various County Departments
n/a - information not available